

Trip Report

PRIDE Jamaica Project

Kingston, Jamaica

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Scope of Work:
**To Support Development of a Framework for a Petroleum Management
Monitoring Unit for Jamaica Customs Department**

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Abbreviations and Acronyms

IGOC	Instructions for the Guidance of Officers of Customs
JCD	Jamaica Customs Department
JPPC	Jamaica Petroleum Power Company
JPS	Jamaica Public Service
KRA	Kenya Revenue Authority
KW	Kingston Wharves
LPG	Liquid Petroleum Gas
OIC	Oil Importing Companies
PAJ	Port Authority of Jamaica
PMU	Petroleum Monitoring Unit
PRIDE Jamaica	Promote Renew Invigorate Develop Energize Jamaica
SOP	Standard Operating Procedures
TAJ	Tax Administration Jamaica
TRA	Tanzania Revenue Authority

Executive Summary

According to an October 2011 report by the International Monetary Fund (IMF), during Jamaica's Fiscal Year 2010/2011, the petroleum sector contributed approximately 23% of total Customs revenue and the sector is reported to contribute approximately 30% of the total revenues collected in Jamaica. There are concerns that the sector is not adequately controlled by Customs to ensure full compliance and protection of this significant revenue base.

In response to these concerns, a short study was undertaken between January 23, 2012 to February 10, 2012 in conjunction with Jamaica Customs Department (JCD), to review the current systems and controls in order to develop a framework to establish a Petroleum Monitoring Unit (PMU) within JCD. The proposed unit will work in conjunction with Tax Administration Jamaica (TAJ) to monitor and control the importation of petroleum products and ensure that all imported products are fully accounted for and all revenues due are collected.

In evaluating the current level of controls and compliance, the consultants reviewed systems and procedures at the following facilities:

1. Petrojam Ltd. Refinery;
2. Cool Petroleum Ltd.;
3. Aegean Bunkering (JAM) Ltd.;
4. Jamaica Petroleum Terminal (which is a joint depot of Total Jamaica Ltd., Chevron and Shell JPT and Gas Products terminal at Montego Bay Freeport); and
5. Bauxite mining discharge facilities at storage facilities Port Esquivel and St. Ann's Bay.

The consultants also conducted meetings and interviews with various Customs Unit managers who interact with the petroleum sector, with the management of the oil importing companies, and with Tax Administration Jamaica (TAJ).

The review disclosed that the management of the petroleum sector is scattered across several Customs units and that although the tax treatment of petroleum products is clear and well understood, the systems in place for the stock management and inventory accounting are not adequate and need to be improved in order for the Department to achieve better control. The major weakness found in the system arises from the lack of technical skills for the independent verification of the quantities that are discharged and back loaded into vessels. This is hampering the monitoring and control of petroleum inventories and consequently JCD is not able to conduct meaningful audits of the oil importing companies. However, there is strong evidence that TAJ Excise Officers do possess the requisite technical skills that would allow for training of the Customs Officers to be conducted in-house.

Included among the recommendations that will readily facilitate improvement of the controls are some basic measures such as the use of Standard Operating Procedures (SOPs); instituting tighter stock controls at the refinery by sealing the valves and being available to break the seals without interrupting the operations of the refinery or deploying a resident Customs Officer; and, building the technical capacity to equip the Customs Officers with the requisite skills to measure and quantify the products. Recommendations also include developing

appropriate reporting systems in order to improve the monitoring of petroleum stocks and to track the payment for products.

An in-depth audit of the activities of bunkering is also recommended. This will assist with establishing accountability for products that have previously been supplied for bunkering, and for future revenue protection arising from the risks currently identified in the current bunkering system.

The consultants developed an Implementation Action plan to establish the Petroleum Monitoring Unit.

1. Introduction

1.1 Background

According to an October 2011 International Monetary Fund (IMF) report, the main products imported into Jamaica are petroleum, cigarettes, motor vehicles, alcohol and food, which together make up approximately 80 percent of total revenue collections. Cost of collections represents only 0.02 Jamaica cents for every dollar collected, down from 0.03 cents in 2010, and well within international standards which range from 2 to 5 percent. The petroleum sector contributes approximately 23% of JCD revenue collections

On request from colleagues at the IMF, PRIDE Jamaica agreed to assist the Jamaica Customs Department (JCD) to establish a Petroleum Monitoring Unit (PMU). In keeping with this commitment, PRIDE Jamaica supported a short term consultancy whose broad objective was to develop a framework to establish a Petroleum Monitoring Unit (PMU) for Jamaica Customs Department (JCD).

It is anticipated that the proposed Petroleum Monitoring Unit will work in conjunction with Tax Administration Jamaica (TAJ) to monitor and control the importation of petroleum products and ensure that all imported products are fully accounted for and that all revenues due are collected.

The following **Table 1** provides a breakdown of the total JCD revenue for FY2009/2010 and FY2010/2011.

TABLE 1 - Jamaica Customs Revenue Collection for FY2009/2010 and FY2010/2011

ITEMS	MOF&P TARGET APR-10 - MAR-11 \$	COLLECTIONS APR-10 - MAR-11 \$	PERFORMANCE %	COLLECTIONS APR-10 - MAR-11 \$	COLLECTIONS APR-09 - MAR-10 \$	VARIANCE	VARIANCE %
Tax Revenue							
Import Duty	23,982,932,885	20,483,382,751	85	20,483,382,751	19,052,472,084	1,430,910,667	7.5
Warehouse Fees	-	4,340,548		4,340,548	7,436,077	(3,095,529)	-41.6
General Consumption Tax	31,595,101,601	38,520,580,829	122	38,520,580,829	28,863,284,837	9,657,295,992	33.5
Special Consumption Tax	31,647,717,914	29,811,819,052	94	29,811,819,052	23,480,439,374	6,331,379,678	27.0
Environmental Levy	2,306,518,745	2,040,066,286	88	2,040,066,286	2,083,794,405	(43,728,119)	-2.1
Stamp Duty*	1,390,406,145	1,393,221,007	100	1,393,221,007	1,289,600,806	103,620,202	8.0
Travel Tax	2,587,565,619	3,930,634,878	152	3,930,634,878	1,919,351,161	2,011,283,717	104.8
Total Tax Revenue	93,510,242,909	96,184,045,352	103	96,184,045,352	76,696,378,744	19,487,666,608	25.4
Non-Tax Revenue							
Excise Tax	-	3,309,309		3,309,309	9,991,769	(6,682,459)	
Customs Broker Exam Fee	-	1,074,000		1,074,000		1,074,000	
Customs Broker Licenses	-	6,644,918		6,644,918	3,002,550	3,642,368	
Tourist Shop Licenses	-	12,543,746		12,543,746	13,945,076	(1,401,330)	
Tourist Shop Operating	-	5,125,214		5,125,214	17,844,903	(12,719,688)	
Dept. & Misc. Revenue	591,741	10,692,698		10,692,698	568,536	10,124,162	1780.7
Fines & Forfeitures	124,889,000	74,829,197	60	74,829,197	154,964,375	(80,135,179)	-51.7
Revenue Deposit Received	-	4,055,225,112		4,055,225,112	7,590,809,525	(3,535,584,413)	-46.6
Proceeds of Sale	138,134,974	343,320,377	249	343,320,377	153,734,771	189,585,606	123.3
Processing Fees	656,552,000	718,508,708	109	718,508,708	689,714,374	28,794,335	4.2
Standards Compliance Fee	20,241,000	607,424,055	3,001	607,424,055	622,743,700	(15,319,645)	-2.5
Irrevocable Standing Order	40,000	18,500	46	18,500	22,500	(4,000)	-17.8
Carrier Net Service Charge	-	52,178,934		52,178,934	262,136,926	(209,957,992)	-80.1
Miscellaneous Rev (EXP)	832,500	1,012,143	122	1,012,143	8,070,035	(7,057,892)	-87.5
Cess	-	-		-	76,000	(76,000)	
Customs User Fee	7,227,372,361	6,941,829,314	96	6,941,829,314	6,852,748,645	89,080,669	1.3

ITEMS	MOF&P TARGET APR-10 - MAR-11 \$	COLLECTIONS APR-10 - MAR-11 \$	PERFORMANCE %	COLLECTIONS APR-10 - MAR-11 \$	COLLECTIONS APR-09 - MAR-10 \$	VARIANCE	VARIANCE %
Non-Tax Revenue	8,168,653,576	12,833,736,226	157	12,833,736,226		12,833,736,226	
Gross Revenue	93,602,815,401	109,017,781,578	116	109,017,781,578		109,017,781,578	
RDP	-	(4,207,811,558)		(4,207,811,558)	(8,013,542,299)	3,805,730,742	-47.5
Net Revenue Collections	93,602,815,401	104,809,970,020	112	104,809,970,020	85,063,210,129	19,746,759,890	23.2

1.2 Objective of the Assignment

The following were the objectives of the assignment:

- Review the cargo receipt procedures at the facilities where vessels are discharging bulk petroleum products;
- Establish the level of internal controls for inventory management and accounting at these facilities to ensure proper adherence to the generally accepted accounting and management principles for petroleum products and the adequacy of these controls;
- Review the level of compliance to the documented procedures for managing the custody transfer processes at the selected storage facilities;
- Review the adequacy of the skills and competencies available in the management of petroleum products;
- Assess the internal sub systems (communications, etc.) between JCD and other agencies including Tax Administration Jamaica (TAJ), Internal audits, Compliance, etc. and assess their efficiency and effectiveness.

The outcome of the above review is to develop a framework to establish a Petroleum Monitoring Unit which ensures that:

- JCD revenues are increased and future growth of revenues can be identified;
- There is improved petroleum revenue accountability by JCD;
- The petroleum sector has improved management and organization systems in place thereby allowing Customs Officers to function more effectively and efficiently;
- JCD implements a structured capacity building program to equip the Customs Officers with the requisite skills and competencies to manage the petroleum sector.

1.3 Scope of Work & Deliverables

1.3.1 Scope of Work

The specific Scope of Work for this assignment was to:

1. Conduct a review of the current state of petroleum monitoring within the Jamaica Customs Department.
2. Research how other customs and tax administrations monitor and control imports of petroleum.
3. Develop policies and procedures for JCD to ensure full accounting of all oil imports.
4. Develop measurement requirements and techniques to account for imported product.

5. Establish reporting and monitoring processes.
6. Establish necessary audit and verification techniques and timetables.
7. Work with counterparts in the JCD to prepare a documented profile of firms within the petroleum importing sector. The profile will include who the firms are; their corporate and management structures; and what range of activities the businesses encompass. The profile shall also include a review and outline of the implications of relevant laws pertaining to the industry's business activities, and the impact these may have on JCD's monitoring of activities and/or conduct of an audit of a firm within the sector. The laws may include, but are not limited to, provisions of relevant utility regulations, investment incentive legislation, accounting rules regarding transfer pricing, treatment of income and expenses, associated and related companies, among others.

1.3.2 Commentary on the Scope of Work

An overview of the number of facilities where product is discharged, or can be discharged, revealed that there were at least 14 (fourteen) official berths and jetties and also several unofficial facilities where irregular transfer of product can be done. Of the official designated discharge facilities, five (5) were identified as the ones with the highest level of activity.

The following sub activities were conducted during the study:

- i) Site visits of the identified facilities for a detailed review of the current procedures and practices being used to control and monitor the importation of bulk petroleum products and subsequently the collection of the requisite revenue;
- ii) Interviews with the management of Sufferance Wharves who are responsible for managing most of the discharge of petroleum imports;
- iii) Meeting with TAJ to appreciate the linkage with JCD after product discharge;
- iv) Document review at various facilities to ascertain that revenue collection activities are being conducted in accordance with existing laws and regulations, internationally accepted standards and best practices, and are in the interest of JCD.
- v) Assessment of the available skills and competencies within JCD to manage the proposed Petroleum Monitoring Unit (PMU).

1.3.3 Deliverables

The following table (**Table 2**) presents a snapshot of the linkage between the above proscribed Scope of Work and the expected Key Deliverables.

TABLE 2 - Linkage between the Scope of Work and the Key Deliverables

	Key Deliverable	Activity from Scope of Work	Output
3.1	A review of the current state of petroleum monitoring in the JCD.	a) Site visits that will include: <ul style="list-style-type: none"> i) Review the cargo receipt procedures; ii) Establish the level of internal controls for inventory management and accounting at these facilities, and the adequacy of these controls; iii) Confirm adherence to the generally accepted accounting and management principles for petroleum products. b) Interviews and review of documents at Sufferance and Kingston Wharves, Kingston, Port Esquivel, St Ann's Bay and Montego Bay;	Current status report of petroleum monitoring by JCD.
3.2	A proposed framework for a Petroleum Monitoring Unit incorporating international best practices with detailed recommendations and an implementation plan, including any necessary Business Process Review strategies to strengthen the operation and effectiveness of the Jamaica Customs Department to collect all revenues due. The framework shall include policies and procedures, measurement requirements and techniques that will enable JCD to effectively account for oil imports; reporting and monitoring processes; and audit and verification techniques and timetables.	i) Carry out a comparison of the petroleum monitoring systems and procedures in use by Tanzania Revenue Authority (TRA) and Kenya Revenue Authority (KRA) as benchmarked against international best practices;	Framework for the implementation of a Petroleum Monitoring unit within JCD that incorporates best practice that include:
		ii) Develop draft Standard Operating procedures for receipt and monitoring of Crude and Finished imports; including defining Custody transfer points for measurement and measuring techniques for discharge;	i) Draft standard operating procedures;
		iv) Establish reporting and monitoring processes and propose suitable reports;	ii) Skill gaps and training needs, required measuring and petroleum imports audit techniques;
		v) Establish necessary audit and verification techniques and define frequency of audits.	iii) Suitable monitoring reports/ worksheets;
			iv) Identify skill gaps and training needs;
			iv) Audit Plan.

	Key Deliverable	Activity from Scope of Work	Output
3.3	Recommendations for immediate, medium and long-term improvements (training, procedural changes, management, roles and responsibilities, improved use of available information systems and databases, etc.).	Breakdown of proposed recommendations into Immediate, Medium and Long term.	Recommendations breaking down recommendations Immediate, Medium and Long Term improvements.
3.4	Outline linkages with other agencies including TAJ, Revenue Protection Division to ensure maximum effectiveness in identifying potential revenue for collections.	i) Meetings with TAJ, RPD, Compliance Unit; ii) Assess the level of sharing of information between JCD and other agencies .	Identify suitable areas of inter-agency/Inter Departmental co-operation e.g. MOUs, Delivery reports, Month end stock reports for Petrojam.
3.5	i) Work with counterparts in the JCD to prepare a documented profile of firms within the petroleum importing sector. The profile will include who the firms are; their corporate and management structures; and what range of activities the businesses encompass. ii) The profile shall also include a review and outline of the implications of relevant laws pertaining to the industry's business activities, and the impact these may have on JCDs monitoring of activities and/or conduct of an audit of a firm within the sector. The laws may include, but are not limited to, provisions of relevant utility regulations, investment incentive legislation, accounting rules regarding transfer pricing, treatment of income and expenses, associated and related companies, among others.	i) Document company profiles information on the business structure of the oil importing companies; ii) Review the implication of various laws which are relevant to the petroleum sector and outline how these impact JCDs ability to monitor the petroleum sector.	i) Written profiles of petroleum importers into Jamaica; ii) Impact of several laws pertaining to the petroleum sector on the ability of JCD to monitor the sector.
	Other findings and recommendations.	Identify any other areas of improvement in the current system of managing petroleum imports by both JCD and TAJ.	Other findings and recommendations.

2. Overview of the Management of Bulk Petroleum Products by Jamaica Customs Department (JCD)

General

At Jamaica Customs the management of petroleum products is spread across several sections. Within the Kingston Harbour, most of the discharge process is managed by the JCD Sufferance Wharves Section, while discharges at Kingston Wharves are under the management of Kingston Wharves Section. One of the oil companies has a bonded warehouse where vessels discharge directly under the management of Kingston Wharves while the product is controlled as a bonded warehouse. Discharge at Port Esquivel and Rocky Point is managed under Sufferance Wharves while at St Ann's Bay and at the Montego Bay Freeport discharge of petroleum is managed as part of the normal customs operations under the Collectors at these stations.

The sector is governed by the Jamaica Customs Act and Regulations, as well as the instructions contained in the Instructions for the Guidance of Customs Officers (IGOC). Other legislation that impact on the management of the sector include the Caribbean Common Market (CARICOM) Agreements, the PetroCaribe Agreement, the Bauxite and Alumina Industries (Encouragement) Act, and the Petroleum Act.

Under the Jamaica Customs Act and Regulations:

1. Sec 65, 66, 67 and 68 a) require every master of a vessel to make a report of its cargo within 24 hours after arrival, on a prescribed form, in the prescribed manner, and giving the prescribed particulars; b) require that the report is submitted before bulk is broken; and provides for a penalty of JD 100,000 for failure to make the necessary report.
2. Sec 283, Sec 285 (1) and (2) Reg. 20 and 49 provide for the monitoring of vessels for unloading and loading of cargo at the Sufferance Wharves, and also for vessels that come into the port for repairs and for bunkering,
3. The provisions for the requisite documents, forms and registers in the processing of unloading and loading of cargo at the Sufferance Wharves is provided for under Sec 284 (a) (b) (c) Reg. 12, 13, 16, and 20 , Sec 284 (d) e.g. 48 and 49 and Sec 284 (e) and (f) Reg. 81.
4. Several duty and tax exemptions have been granted under the various trade agreements. The List of Integrated Tax Tariff as at 15/01/2012 and the List of Free Codes as at January 2011 are attached as **Appendix 1 - Integrated Tariff (as at January 15, 2012)** and **Appendix 2 - Free Codes as at January 2011** to this report.
5. A letter dated 19th March 1998 from the Ministry of Finance and Planning to Petrojam Ltd is used to grant a grace period of twenty one (21) days from the date of importation for taxes to be paid by all oil importing companies.
6. Taxes for petroleum products are collected at ambient temperature and are NOT standardized.

Advisory

During the conduct of this assignment the consultants were unable to secure from JCD management any documentation to support the following current administrative practices:

1. Allowance to other oil importing companies for a grace period of 21 days within which to pay taxes.
2. Access granted to products from the storage facilities before payment of taxes.

2.1 Petroleum Importing Companies in Jamaica

Below is a list of the companies that import petroleum products:

1. Petrojam Ltd.
2. Cool Petroleum Ltd.
3. Shell JPT
4. Chevron Caribbean
5. Total Jamaica
6. Gas Products Ltd.

During the site visits, the following bauxite mining companies were noted as receiving products both directly from overseas as well as coastwise:

1. Windalco
2. Jamalco
3. Noranda

An assumption has been made that this finding also pertains at all other bauxite ports, in which case the above list may not be exhaustive.

Volumes and Revenue

The following tables are attached to the report for further reference:

Table 3 provides a breakdown of the volumes imported by each oil company during the period 2007 to 2011, while **Table 4** provides a breakdown of the corresponding revenue by each oil company for the period 2007 to 2011.

TABLE 3 - Petroleum Volume by Importer

PETROLEUM VOLUME PER IMPORTER FOR 2007-2011						
COMPANY	PRODUCT	2007	2008	2009	2010	2011
PETROJAM	Crude Oil	1,274,300,050	1,115,069,791	1,783,310,986	1,340,664,073	1,372,265,061
	Unleaded 87	183,278,810	232,790,662	359,265,903	243,055,433	195,675,990
	Unleaded 90	12,240,326	0	29,839,115	25,658,603	49,891,892
	Jet Fuel	127,459,847	98,498,155	137,700,361	117,547,987	151,166,235
	Auto Diesel Oil	346,111,326	340,878,256	469,281,150	300,454,833	313,814,497
	Heavy Fuel Oil	726,756,576	551,838,629	644,727,829	350,984,766	
	Propane	37,018,643	30,374,262	44,857,294	39,814,305	
	Butane	86,357,618	69,045,161	123,010,564	83,183,567	
	60/70 Pen Asphalt	4,150,346	907,161			
	MTBE (additive)	45,657,437	24,447,908	24,753,958		
	Ethanol Unhydrous	3,242,419	16,728,774	34,070,732		
	SUB-TOTAL	2,846,573,397	2,480,578,759	3,650,817,893	2,501,363,567	2,082,813,675
COOL	Unleaded MOGAS	116,295,546.00	93,493,157.00	102,143,501.00	68,874,671.00	91,099,638.00
	Diesel & Fuel Oil	178,140,483.00	142,000,664.00	112,181,984.00	102,041,636.00	49,525,355.00
	Ethanol			2,903,687.00	6,855,849.00	
	SUB-TOTAL	294,436,029	235,493,821	217,229,172	177,772,156	140,624,993
TOTAL	Unleaded 87		1,129,023.00	17,431,334.00	2,137,493.00	14,699,091.00
	Unleaded 90		318,642.00	3,125,011.00	1,309,671.00	786,171.00
	JET W/ASA(TURBOJET A1 FUEL)		3,110,576.00	559,146.00		
	Gas Oil		2,124,442.00	18,114,596.00	13,167,082.00	13,629,778.00
	Ethanol Unhydrous					
	SUB-TOTAL		6,682,683	39,230,087	16,614,246	29,115,040

PETROLEUM VOLUME PER IMPORTER FOR 2007-2011						
COMPANY	PRODUCT	2007	2008	2009	2010	2011
CHEVRON	AVGAS	732,371.13	749,252	659,161	498,301	538,115
	Unleaded 87	47,619,107.36	53,220,233.95	39,613,479.75	22,324,176.18	16,785,765.43
	Unleaded 90	14,481,298.52	15,257,720.37	12,827,798.49	10,603,480.93	9,777,984.87
	Gas Oil	18,546,156.00	17,672,949.00	20,069,465.00	16,954,565.00	13,600,673.00
	TURBOJET A1 FUEL	40,214,659.00	32,405,433.00	10,220,127.00	2,908,548.00	538,115.00
	Ethanol Unhydrous			2,741,384.00	2,877,655.00	4,283,630.00
	SUB-TOTAL	121,593,592	119,305,589	86,131,415	56,166,726	45,524,284
GAS PRO	Propane	2,150,585.00	6,100,796.00	10,744,426.00	10,765,332.00	9,819,416.00
	Butane		119,893.00		454,754.00	
	SUB-TOTAL	2,150,585	6,220,689	10,744,426	11,220,086	9,819,416
Shell JPT	Unleaded 87/83	65,706,833.00	65,764,865.00	34,815,944.00	28,486,330.00	10,434,883.00
	Unleaded 95/90	21,046,179.00	21,076,503.00	15,807,869.00	25,658,603.29	49,891,892.18
	Gas Oil	40,884,824.00	37,226,667.00	29,971,753.00	14,815,074.00	14,356,508.00
	Ethanol				2,409,425.00	34,070,732.00
	SUB-TOTAL	127,637,836	124,068,035	80,595,566	68,960,007	74,683,283
GRAND TOTAL		3,392,391,439	2,972,349,575	4,084,748,559	2,832,096,788	2,382,580,691

TABLE 4 - Petroleum Revenue and Importer

PETROLEUM REVENUE PER IMPORTER FOR 2007-2011						
COMPANY	PRODUCT	2007	2008	2009	2010	2011
PETROJAM	Crude Oil	\$689,243,635	\$1,115,000,170	\$700,569,350	\$700,434,995	\$380,413,399
	Unleaded 87	\$1,636,517,293	\$2,161,694,107	\$4,647,388,196	\$6,973,422,212	\$5,941,192,861
	Unleaded 90	\$103,028,036	\$0	\$529,830,169	\$724,682,194	\$1,474,234,605
	Jet Fuel	\$21,328,824	\$21,744,459	\$17,828,456	\$18,879,676	\$24,840,369
	Auto Diesel Oil	\$2,816,930,156	\$3,290,610,394	\$5,883,804,073	\$8,555,842,151	\$8,709,543,228
	Heavy Fuel Oil	\$1,088,468,670	\$1,089,353,898	\$1,181,951,012	\$868,545,968	
	Propane	\$22,747,519	\$30,214,550	\$30,883,368	\$35,499,176	
	Butane	\$63,612,092	\$83,782,089	\$105,768,188	\$95,897,386	
	60/70 Pen Asphalt	\$11,196,400	\$4,393,978			
	MTBE (additive)	\$41,323,626	\$36,744,878	\$21,381,145		
	Ethanol Unhydrous	\$1,515,603	\$15,010,075	\$12,762,832		
	SUB-TOTAL	\$6,495,911,852	\$7,848,548,598	\$13,132,166,788	\$17,973,203,758	\$16,530,224,463
COOL	Unleaded MOGAS	\$984,819,635	\$835,758,361	\$1,553,857,181	\$1,756,468,293	\$2,722,345,423
	Diesel & Fuel Oil	\$417,870,930	\$391,888,580	\$406,169,443	\$968,448,648	\$331,841,899
	Ethanol	\$0	\$0	\$31,802,294	\$84,882,165	\$0
	SUB-TOTAL	\$1,402,690,565	\$1,227,646,941	\$1,991,828,918	\$2,809,799,106	\$3,054,187,321
TOTAL	Unleaded 87		\$9,847,581	\$259,064,204	\$268,911,785	\$426,617,137
	Unleaded 90		\$2,967,369	\$49,468,029	\$52,435,398	\$22,682,100
	JET W/ASA(TURBOJET A1 FUEL)*		\$0	\$0		
	Gas Oil		\$1,985,822	\$772,632,243	\$190,262,156	\$366,674,031
	Ethanol Unhydrous					\$23,582,353
	SUB-TOTAL		\$14,800,772	\$1,081,164,476	\$511,609,340	\$815,973,269

PETROLEUM REVENUE PER IMPORTER FOR 2007-2011						
COMPANY	PRODUCT	2007	2008	2009	2010	2011
CHEVRON	AVGAS	\$153,820	\$196,657	\$174,333	\$165,075	\$208,331
	Unleaded 87	\$396,417,742	\$468,662,451	\$618,564,145	\$598,071,338	\$495,972,266
	Unleaded 90	\$126,466,386	\$140,746,075	\$203,441,720	\$306,435,248	\$291,175,552
	Gas Oil	\$140,386,959	\$145,303,035	\$305,270,293	\$455,057,591	\$391,390,923
	TURBOJET A1 FUEL	\$4,816,844	\$5,631,323	\$1,060,203	\$316,007	\$208,331
	Ethanol Unhydrous	\$0	\$0	\$27,140,878	\$35,948,040	\$56,182,400
	SUB-TOTAL	\$668,241,751	\$760,539,541	\$1,155,651,572	\$1,395,993,299	\$1,235,137,803
GAS PRO	Propane	\$1,727,040	\$6,535,811	\$7,631,016	\$10,522,601	\$11,688,301
	Butane	\$0	\$112,344	\$0	\$599,339	\$0
	SUB-TOTAL	\$1,727,040	\$6,648,155	\$7,631,016	\$11,121,940	\$11,688,301
Shell JPT	Unleaded 87/83	\$547,374,154	\$575,672,466	\$481,113,261	\$893,508,847	\$311,086,044
	Unleaded 95/90	\$182,783,958	\$191,841,141	\$222,758,642	\$724,682,194	\$1,474,234,605
	Gas Oil	\$310,505,665	\$305,315,978	\$410,616,694	\$398,960,197	\$412,833,206
	Ethanol	\$0	\$0	\$0	\$31,410,247	\$12,762,832
	SUB-TOTAL	\$1,040,663,777	\$1,072,829,585	\$1,114,488,597	\$2,048,561,485	\$2,210,916,688
GRAND TOTAL		\$9,609,234,986	\$10,931,013,592	\$18,482,931,367	\$24,750,288,928	\$23,858,127,845

2.2 Berths and Jetties

The island of Jamaica has a long coastline with at least fourteen (14) official berths where petroleum products are being discharged. However, there are also several jetties and landing facilities where irregular discharge operations can be undertaken. **Table 5** below details these facilities.

TABLE 5 - Discharging Berths and Jetties

	Berth/Jetty	Details	Remarks
1	Petrojam Ltd.		3 jetties
2	Cool Petroleum Ltd.	Newport West	
3	Cool Petroleum Ltd.	Shell Pier	
4	Port Esquivel	Windalco	
5	Port Kaiser		
6	Rocky Point	Jamalco	
7	Montego Bay	Chevron, Shell, Total	
8	Montego Bay	Petrojam	Coastwise
9	Port Rhodes		
10	JPS	Old Harbour	
11	JPS	Hunts Bay	Coastwise
12	Aegean Rockfort		No Discharge but has capacity
13	JPPC Rockfort		Coastwise
14	St. Ann's Bay	Noranda	

Source: JCD

3. Findings and Observations

The following represents a detailed report on the findings and observations of the study in line with the key deliverables.

3.1 A Review of the Current State of Petroleum Monitoring within Jamaica Customs Department

In evaluating the level of compliance with the existing statutory requirements and documented procedures, a review of several petroleum transactions were conducted between January 23 and February 9, 2012 in conjunction with JCD managers at discharge facilities that include;

- i) Petrojam Ltd Refinery;
- ii) Cool Petroleum Ltd.;
- iii) Aegean Bunkering (JAM) Ltd.;
- iv) Jamaica Petroleum Terminals - joint deport of Total Jamaica Ltd, Chevron and Shell JPT and Gas Products at Montego Bay; and
- v) Bauxite mining discharge facilities at storage facility at Port Esquivel and St Ann's Bay.

The objectives of the operational site reviews were to:

- Review the cargo receipt procedures;
- Establish the level of internal controls for inventory management and accounting at the respective facilities to ensure proper adherence to the generally accepted accounting and management principles for petroleum products and the adequacy of these controls;
- Review the level of compliance in accordance with the documented procedures for managing the custody transfer processes at the selected discharge storage facilities;
- Review the adequacy of the skills and competencies available in the management of petroleum products.

The facilities were identified and selected on the basis of the level of activity and the review was based on the reliability and integrity of the information provided. The report for each of the facilities is structured in the following format:

- a) Name and location of the site;
- b) Introduction;
- c) Identified control gaps;
- d) Recommendations; and
- e) Observations (if any).

3.1.1 Petrojam Ltd., Kingston

Introduction

Petrojam Ltd is a limited liability company jointly owned by the Petroleum Corporation of Jamaica (PCJ) and Petroleos de Venezuela (PDVSA). The PCJ is a statutory body wholly owned by the Government of Jamaica (GOJ). The company was established in 1982 when the Government of Jamaica purchased the Esso Kingston refinery which had been operational since 1964. In 2006, the government sold 49% of its shares to PDVC Caribe, a subsidiary of PDVSA.

In addition to the refiner, Petrojam also imports a full range of petroleum products and offers back loading facilities for bunkering fuels, coastwise deliveries, as well as a truck loading rack from where local deliveries are made.

As Jamaica's sole oil refinery, Petrojam focuses mainly on supplying the needs of the local market and uses its own or leased vessels to supply products around the island, especially for power producers and to its own terminal at Montego Bay. The following **Table 6** gives an indication of the large volume of petroleum products that have been supplied duty free from Petrojam for the period 2009 - 2011.

Petroleum products supplied by Petrojam to mining companies are tax exempted under The Bauxite and Alumina Industries (Encouragement) Act. Similarly fuel supplied by Petrojam to Power Plants and foreign going vessels is duty free.

TABLE 6 - Petrojam Duty Free Sales 2009 – 2011

PETROJAM DUTY FREE SALES VOLUME (Litres) 2009-2011				
COMPANY	PRODUCT	2009	2010	2011
ALCOA	Auto Diesel Oil	13,618,218	14,618,375	17,288,695
ALPART	Auto Diesel Oil	5,248,648	1,556,375	1,624,959
NORANDA	Auto Diesel Oil	16,345,804	19,450,350	28,604,211
WINDALCO	Auto Diesel Oil	1,026,422	4,046,800	8,126,952
URS LTD.	Auto Diesel Oil	500,969	24,643	52,840
AEGEAN BUNKERING	Fuel Oil	287,420,298	266,363,699	230,342,578
	Marine Diesel Oil	6,940,114	23,063,178	21,918,469
JPS Bogue	Auto Diesel Oil	226,171,387	221,633,094	225,045,916
BUNKER EXPORT	Auto Diesel Oil	12,159,191	2,579,251	1,354,890
	Fuel Oil	32,060,588		
BOUYGUES LTD.	Auto Diesel Oil	6,745,037	4,114,846	3,604,402
	Fuel Oil	253,267	716,937	375,608
Total	Marine Diesel Oil	6,940,114	23,063,178	21,918,469
	Fuel Oil	319,734,153	267,080,637	230,718,186
	Auto Diesel Oil	281,815,677	268,023,734	285,702,865

Source: Petrojam

Identified Control Gaps

1. There are no customs controls in place at the Petrojam Refinery to systematically monitor and control the discharge of both crude and finished imported products.
2. Although a documented procedure was availed, there is no evidence that it has been circulated to the officers who are assigned to supervise petroleum product discharge.
3. Although an officer may be assigned to supervise the discharge operations at Petrojam, there is no evidence of any report issued by the Customs Officers to confirm the volumes discharged. The discharge information appears to be availed from the surveyor or the shipping agent.
4. The sealing of the jetty valves is done by Petrojam instead of the Customs Officer.
5. There is no customs reconciliation of the back loaded volumes with the quantities released by the Excise Officer at the refinery.
6. There is no evidence of a system to monitor and follow up the payment of taxes to ensure compliance with 21 days grace period.
7. There is no evidence of information exchange between the Excise Officers and Customs Officers at Petrojam.

Recommendations

1. Develop, circulate and enforce a Standard Operating Procedure for use by all the officers who are assigned specifically to supervise petroleum product discharge.
2. Put in place the requisite controls at the Petrojam refinery to monitor and control the discharge of both crude and finished imported products. These controls include the sealing of the discharge valves which should only be broken by a Customs officer before the next vessel discharges.
3. Equip the Customs Officers with the technical skill for measuring and quantifying the volumes discharged and back loaded.
4. Officers deployed to supervise the discharge of vessels should file an independent report of the volumes quantified as a confirmation of the Surveyor's report.
5. There should be a reconciliation of all the volumes back loaded with volumes released by the Excise Officer who is based at the refinery.
6. Develop a system to monitor and follow up the payment of taxes to ensure compliance with 21 days grace period.
7. Customs Officers must ensure complete, accurate, and updated records for each vessel are maintained to ensure full accounting of records.
8. Customs Officers to initiate regular information exchange with the Excise Officers.

Observations

1. Petrojam is supplying high volumes of duty free sales as indicated by **Table 6**, including bunkering services, without close monitoring.
2. During the site visits, it was noted that the movement of Customs Officers into the refinery is restricted and requires prior clearance authorization. As the refinery is a customs area, the Customs Officers should be facilitated and empowered to carry out their normal customs duties at the refinery, without hindrance, objection or restriction.

3.1.2 Cool Petroleum Ltd.

Introduction

In 2006, Shell Corporation divested its assets in Jamaica which were bought by Cool Petroleum Ltd. The company in turn procures all its petroleum imports through Shell and operates more than fifty (50) fuel stations in Jamaica. The company sells fuel directly to commercial fleets and local manufacturers. The US based investment firm Blue Equity recently (in January 2012) assumed control of the company. The company runs two depots, Rockfort, with a capacity of 50,000 barrels Diesel and 120,000 barrels Gasoline; and Newport West, with a capacity of 50,000 barrels Diesel and 67,000 barrels Gasoline, and discharges 1 vessel per month.

Identified Control Gaps

1. Although an officer is assigned to supervise the discharge operations at Cool Petroleum, there is no evidence of any report issued by the Customs Officers for the volumes discharged.
2. The discharge information appears to be availed wholly from the surveyor or the shipping agent.
3. The sealing of the jetty valves on discharge lines is done by Cool Petroleum instead of the Customs Officer.
4. There is no evidence of a system to monitor and follow up with the payment of taxes to ensure compliance with the 21 days grace period.

Recommendations

1. Develop, circulate and enforce a Standard Operating Procedure for use by all the officers who are assigned specifically to supervise petroleum product discharge.
2. Implement the requisite controls to monitor and control the discharge of finished imported products. These controls include the sealing of the jetty valves which should only be broken by a Customs Officer before the next vessel discharges.
3. Equip the Customs Officers with the technical skill for measuring and quantifying the volumes discharged and back loaded.
4. Officers deployed to supervise the discharge of vessels should file an independent report of the volumes quantified as a confirmation of the Surveyor's report.

5. Develop a system to monitor and follow up with the payment of taxes to ensure compliance with 21 days grace period.
6. Customs Officers must ensure complete, accurate, and updated records for each vessel are maintained to ensure full accounting of records.

Observation

The Cool Petroleum facility at Newport West hosts four (4) tanks of which one (1), No. 1, is a bonded warehouse. It is recommended that there is immediate confirmation within the JCD of the individual who is charged with managing the other three (3) tanks at Newport West. During the conduct of the consultancy, a site visit established that Tank No. 1 that is used for Diesel is interconnected with the tank for Mogas 87. It is an urgent requirement that the bonded tank is physically isolated from the rest of the tanks.

3.1.3 Aegean Bunkering (JAM) Ltd.

Introduction

Aegean Bunkering is part of the Aegean Marine Petroleum Network Inc., which is involved in physically supplying refined marine fuel oils to ships in ports and at sea. The company launched its bunkering services in Jamaica in March 2005 and is currently operating three (3) barges, namely Hope, Kalymnos and Vera, with the following capacities:

TABLE 7 - Bunkering Barges Capacity

Barge	Capacity in Metric Tonnes	
	Fuel Oil	Marine Diesel Oil (MDO)
Hope	6500	800
Kalymnos	5200	700
Vera	2800	650

Source: Aegean Bunkering Ltd.

The product back loaded onto the Aegean barges for bunkering is accounted for by Petrojam through the use of export entries; however, during the conduct of the consultancy no export entries were provided for review. It should also be noted that although the barges are licensed by the Port Authority of Jamaica (PAJ), there is no evidence of a requirement for the vessels to also be licensed by the Commissioner of Customs.

TABLE 8 - Aegean Bunkering Ltd. Purchases

SALES TO AEGEAN BUNKERING (Litres)			
PRODUCT	2009	2010	2011
Fuel Oil	287,420,298	266,363,699	230,342,578
Marine Diesel Oil	6,940,114	23,063,178	21,918,469
TOTAL	294,360,412	289,426,877	252,261,047

Source: Petrojam Ltd.

Advisory: The volume of Marine Diesel Oil reported by Petrojam for 2009 is very low. There is a possibility that vessels were bunkered with Automotive Diesel Oil (ADO) which Petrojam has not reported.

Identified Control Gaps

1. The bunkering barges are not licensed by the Commissioner of Customs although they are handling product that is under customs control.
2. The back loading at Petrojam and the actual supply from the barge to the ocean going vessels are not supervised by a Customs Officer.
3. The tanks of the barges are not sealed in between the bunkering process and there is no evidence that the barges are ever dipped to confirm the type of product or the volume in tanks.
4. No supporting documents to support the bunkering activity are submitted either by Petrojam or Aegean to the Customs Officer.
5. The bunkering barges are allowed to bunker in the high seas and there is no indication that the process is monitored, raising the risk of ship to ship transfers.

Recommendations

1. Implement the requisite controls to monitor and control the back loading of Aegean vessels at Petrojam. These controls include the sealing of the jetty valves which should only be broken by a Customs Officer before the next vessel begins back loading.
2. Make mandatory the requirement for the Bill of Lading of back loaded product and Bunkering Receipts issued by the master of the vessel receiving the bunkers to be submitted to JCD.
3. Reconcile the volumes previously back loaded at Petrojam for bunkering, against the Bunkering Receipts before the barges are allowed to backload any further product.
4. The tanks of the barges are to be sealed in between the bunkering process and/or regular dips of the tanks are to be undertaken and records maintained to confirm the type of product or the volume in tanks.
5. Implement a change in policy to require that the Commissioner of Customs inspects and licenses the barges used for bunkering.
6. The bunkering barges should only be allowed to bunker in the high seas with authority from Customs and is to be conducted under Customs supervision to reduce the risk of ship to ship transfers.

Observation

During the site visit the management of Aegean Bunkering was unable to provide any records or documents to support bunkering activities in Jamaica. An in-depth audit is recommended to

account for the products previously supplied for bunkering and for future revenue protection arising from the risks identified in the current system.

3.1.4 Montego Bay

Introduction

Jamaica Petroleum Terminal

Jamaica Petroleum Terminal is a joint depot for Total Jamaica, Chevron and Shell JPT. The terminal is handling Gasoline, Diesel and Ethanol and handles only direct imports. They receive approximately one (1) vessel per month of 25,000 – 30,000 MT and according to the terminal management it is the policy of the terminal to object to the supplier any discharge loss of above 0.3%.

The Customs Officer witnesses the discharge measurements and the determination of the volumes, and records the readings in a Field Logbook as evidence of the process.

The jetty valves are padlocked after discharge and all the tanks have Automatic Tank Gauging (ATG) which are relayed to a control room.

Gas Products Ltd.

GPL was formerly Shell Gas which was acquired in February 2006 by NM Industrial Gas Holdings Ltd and Cool Corporation. The company handles Propane and Butane and provides both a bottling and bulk loading facility. The outlet valves of the shore tanks (bullets) are sealed by Gas Pro, but this process is witnessed by the Customs Officers.

Documented procedures, attached hereto as ***Appendix 4 - Jamaica Customs Department Procedure for the Clearance of Petroleum Imports Montego Bay January 6, 2012***, are in use in the Montego Bay area, and the Customs Officers at these facilities appear to be in control of the discharge process.

Identified Control Gaps

1. Although the officers participate in the discharge procedures, the officers lack the technical skills to be able to interrogate the resulting data.
2. Although the discharge line is cleared after discharge and bolted by the terminal operator, the Customs Officer does not seal the jetty valve thereafter.
3. Customs Officers are not involved in month end and year end stock taking.

Recommendations

1. Equip the Customs Officers with the technical skill for measuring and quantifying the volumes discharged and back loaded.
2. Customs Officers should seal the jetty valve after the marketer bolts the pipe.
3. Customs Officers should participate in month end and year end stock taking.

Observation

The Montego Bay Collectorate has documented procedures, issued in January 2012, for the clearance of petroleum imports. These procedures are comprehensive and include instructions for Reading and Gauging Liquid Petroleum Gas (LPG) tanks.

3.1.5 Windalco and Jamalco Bauxite Mines Facilities at Port Esquivel and Rocky Point Noranda Bauxite Mine Facility at St Ann's Bay

Introduction

Supplies of Fuel Oil and Diesel to the Bauxite and Alumina mines is managed under the Bauxite and Alumina Industries (Encouragement) Act which exempts the two products from customs duty.

The mines receive petroleum products either coastwise from Petrojam or by direct imports. Once the product is received into the storage tanks at the ports, it is transferred either by rail or road to the mines.

Identified Control Gaps

1. The discharge information appears to be availed wholly from the surveyor or the shipping agent.
2. The sealing of the jetty valves is done by the facility operator.
3. It was observed that a contractor is operating the Noranda mine although the customs documents continue to be prepared in the name of Noranda. The sub contracting arrangement includes the use of dump trucks which are not solely used within or by the mines, raising concerns as to the use of duty free Diesel for other activities unrelated to the mining sub-contract.
4. The mining companies do not submit any returns on the usage of the products to the Customs Officer.
5. There is no evidence of a system to monitor the usage of the duty free products being supplied to the mines.

Recommendations

1. Develop, circulate and enforce a Standard Operating Procedure for use by all the officers who are assigned specifically to supervise petroleum product discharge.
2. Implement the requisite controls to monitor and control the discharge of imported products. These controls include the sealing of the jetty valves which should only be broken by a Customs officer before the next vessel discharges.
3. Equip the Customs Officers with the technical skill for measuring and quantifying the volumes discharged and back loaded.

4. Officers deployed to supervise the discharge of vessels should file an independent report of the volumes quantified as a confirmation of the Surveyor's report.
5. Develop a system to monitor and follow up the payment of taxes to ensure compliance with 21 days grace period.
6. Customs Officers must ensure complete, accurate, and updated records for each vessel are maintained to ensure full accounting of records.

3.2 A Framework to Establish a Petroleum Monitoring Unit in JCD

To arrive at a framework to establish the proposed Petroleum Monitoring Unit (PMU) within JCD, a comparison was done between the petroleum monitoring systems used by JCD against those in the Customs administrations of Kenya and Tanzania.

The framework also includes draft guidelines for operating procedures that can be adopted for the receipt and monitoring of crude and finished product imports, while also allowing for the development of suitable monitoring reports and reporting tools.

3.2.1 Comparison of the Petroleum Monitoring System in use by JCD with other Customs Administrations

One of the specific tasks of this study was to carry out research on best practice customs administrations for the monitoring and controlling of petroleum imports. Research was undertaken using the Kenya and Tanzania customs administration models as benchmarks, and the results of that study are contained in **Table 9**, attached below.

TABLE 9 - Comparison of JCD Monitoring and Control of Petroleum Imports with other Customs Administrations

No.	Activity	Kenya Customs	Tanzania Customs	JCD
1	Administration of Petroleum Sector	Separate unit-PMU	Separate unit-OPM.	Multiple departments TAJ and JCD, multiple units within JCD.
2	Product Receipt/Storage	Undertaken by a team comprising Customs, surveyors, Port Authority. Entire process supervised by Customs.	Undertaken by a team comprising surveyors, Port authority, Bureau Of Standards, Weight and Measures and Customs. Entire process supervised by Customs. Discharged through Flow-Meters for confirmation of volumes.	Customs receive and approve discharge documents from Shipping Agents, Surveyors and Importers.
3	Product Measurement and Measurement Equipments	Customs officers participate in the dipping of vessels and on-shore tanks and random measurement to audit volumes declared.	Customs officers witness dipping of vessels and on-shore tanks and random measurement to audit volumes declared.	Receives discharge report from surveyors. Montego Bay - participate in the dipping of vessels and on-shore tanks.
4	Product Delivery	Lodging entries, and payment of duties. Release of trucks at fuel loading depots via electronic accounting system COSIS.	Lodging entries, and payment of duties. Deliveries from depots not controlled by customs except Transit fuel to neighboring countries.	Lodging entries, and payment of duties. Oil companies can access to fuel for sale before the 21 days are over.
5	Inventory Management and Accounting	Excel Worksheets for reconciling volumes received against declared. End-month stock reports. Consolidated global daily reports on all refined products imports and Oil Refinery.	Excel Worksheets for reconciling volumes received against declared. End-month stock reports. Consolidated global daily reports on all refined products imports.	None
6	Duty Payment: i. Refined Product ii. Crude Oil	Within 10 days after last date of discharge. Tax at source. IDF paid 4 days after discharge and rest of duties collected before fuel delivered to market.	Only imports refined products 1 st Installment-25 % paid within 15 days from the date of importation. 2 nd Installment-50 % paid within 15 days from the date of importation. 3 rd Installment-25 % paid within 15 days from the date of importation. Taxation at source	Customs collect Import Duty & Environmental Levy. Payable within 21 days from the date of vessel arrival. OIC may access products before payment of taxes.

No.	Activity	Kenya Customs	Tanzania Customs	JCD
7	Bunkering	<ul style="list-style-type: none"> ▪ Barges/vessel inspected and licensed by Commissioner Customs. ▪ Back - loading and supply supervised by Customs. 	<ul style="list-style-type: none"> ▪ Barges/vessel inspected and licensed by Commissioner Customs. ▪ Back - loading and supply supervised by Customs. 	Licensed by Jamaica Port Authority. Back loading and supply not supervised by Customs.
8	Exempt Product	All exempt bodies purchase duty paid fuel and thereafter claim for refund (pay first - refund later).	Pay first – refund later except fuel supply to mining companies.	Upfront exemption for Power plants, Bauxite mines and back-loaded bunkering fuel. Participate in the dipping of vessels and on-shore tanks.
9	Quality Management System (QMS)	ISO 9001: 2008 compliant.	ISO 9001: 2008 compliant.	None

3.2.2 Standard Operating Procedures

With the exception of the documented procedures dated January 6, 2012, currently in use at Montego Bay, one of the key control and monitoring gaps that has been noted is the lack of uniform procedures by JCD in the management of petroleum products.¹

3.2.3 Monitoring Reports and Reporting Tools

There is a challenge to retrieve data for the volumes and revenues generated by the petroleum sector. To address this challenge the following regular reports need to be maintained. Sample Worksheets are also attached as **Appendix 5 and 6**, to this report for further reference.

a) **Discharge Volume Report per Vessel Building up to Daily, Weekly and Monthly Reports²**

This is a daily running monitoring report for tracking payment to ensure compliance within the allowed 21 days. This report is maintained per oil importing company, including the bauxite mine ports, and can be adopted to capture the relevant applicable taxes.

At the end of each month, the individual worksheets are consolidated to provide a macro picture for each of the oil importing companies.

b) **Monthly Consolidated Volume/Vessel Discharge³**

This is a high level report prepared and generated monthly, issued to management for providing details on the volume discharged per vessel and corresponding revenue collected.

¹ Refer to **Appendix 3** for draft Standard Operating Procedures that can be adapted by JCD to manage discharge and the bunkering process.

² Please refer to Appendix 5.

³ Please refer to Appendix 6.

4. Recommendations and Conclusion

4.1 Recommendations

Following the findings of the study, the following **Table 10** is a summary of the recommendations which have been determined:

TABLE 10 - Summary of the Recommendations contained in the Report

Control Gap		Recommendation	Responsible	Time Frame
Operational Recommendations				
1	Absence of Standard Operating Procedures	Document and circulate uniform operating procedures for use nationally.	Commissioner, JCD	Immediate
2	Absence of Technical skills to measure and quantify petroleum products.	Target to have at least 30% of Customs Officers equipped with petroleum technical skills by end 2012: i) Develop a Training Program and identify officers. ii) Liaise with TAJ Excise Officers for in-house training. iii) Monitoring and Evaluation of effectiveness of training exercise. iv) Procurement of formal technical training.	Commissioner, JCD/Commissioner TAJ	Medium to Long Term
3	More robust customs controls during vessel discharge and back loading of vessels.	i) Sealing of jetty valves by Customs Officers. ii) Exchange of data with Excise Officers to reconcile excise release data with back loaded volumes. iii) Filing of independent reports by officer supervising discharge.	Commissioner, JCD	Immediate
4	A manual register to monitor and follow up payment of taxes to ensure compliance with 21 days.	Implement a formal monitoring system to follow-up payment (Proposed automated Worksheet 1 included in the report).	Commissioner, JCD	Immediate
5	Reconciliation of volumes with Excise Officers at Petrojam.	Exchange of data with Excise Officers to reconcile excise release with back loaded volumes.	Commissioner, JCD Commissioner, TAJ	Immediate
6	Lack of Accountability for associated activities at Aegean Bunkering (Jam) Ltd.	In depth audit of Aegean Bunkering.	Commissioner, JCD	Medium

Control Gap		Recommendation	Responsible	Time Frame
7	Lack of accountability of Duty Free ADO and FO supplied to the bauxite mines and power plants.	i) Post Clearance Audit (PCA) of volumes supplied to the mines.	Commissioner, JCD	Medium
		ii) Mandatory returns by the bauxite mines accounting for the product supplied e.g. every quarter.	Commissioner, JCD	Immediate
		iii) Explore possibility of fuel marking duty free oil for traceability.	Ministry of Finance	Long Term
8	Cool Petroleum bonded facility.	i) Cool Petroleum to account for all products that appears not ex warehoused. ii) Physical isolation of the bonded tank from the rest of the facility/or have the entire facility bonded.	Commissioner, JCD	Immediate
9	Petroleum product entries verification.	Scrutinize invoices to verify declared values to check for instances of transfer pricing, including use of database with international FOB prices e.g. Platts, Reuters, etc.	Commissioner, JCD	Immediate to Medium Term
Policy and Administrative Recommendations				
1	Management of the petroleum sector across several customs sections: - Slow retrieval and collation of sector data.	Establish a Petroleum Monitoring Unit	Commissioner, JCD	Medium
2	Manual Provisional Entry	Automate the Provisional entry which should become a "precedent" entry for the final entry.	Commissioner, JCD	Immediate/ Medium
2	21 days grace period for payment of taxes - Letter currently in use to support the grace period of 21 days was issued in March 1998 to Petrojam but is being utilized to allow this provision to all the oil importing companies.	Take up with the Ministry of Finance: i) Confirmation that the provision is for all importing companies; ii) A review of the conditions that prevailed in 1998, if still valid issue a fresh letter.	Commissioner, JCD Ministry of Finance	Immediate
3	Authority to access product before payment of taxes.	Support the practice with an official administrative guideline.	Commissioner, JCD	Immediate
4	Risk of Counterfeit Exemptions letters being submitted to Customs.	All Exemption letters be submitted directly from the Ministry granting the exemption to Commissioner or Deputy Commissioners office for authentication before being accepted for processing entries.	Commissioner, JCD Dep. Commissioner, JCD	Medium

Control Gap		Recommendation	Responsible	Time Frame
5	Risk of diversion of Automotive Diesel Oil supplied for bunkering during the annual refinery shut down for maintenance (3 weeks).	a. Customs to establish the actual dates of each shutdown; b. Enhance surveillance of all activity; c. Explore possibility of fuel marking duty free oil.	Commissioner JCD Commissioner, JCD Ministry of Finance	Continuous Continuous Long Term
6	Bunkering barges not licensed by Commissioner of Customs.	Review of policy to bring the barges under the Commissioner's control.		Medium
7	Duty Free/Exempt Products	Policy review to change to Pay First – Refund Later Tax exempt persons/bodies should purchase duty paid products and thereafter claim for refund. This would transfer the burden of proof of usage from the Customs Officer to the oil company.		
8	Valuation of Petroleum Products	Procurement of a Valuation Database that allows access to international petroleum market prices.	Commissioner, JCD Ministry of Finance	Long Term

4.2 Conclusion

Following the findings of the study, it can be concluded that the concerns raised on the management of the petroleum sector are justified and that there is the need for JCD to establish a Petroleum Monitoring Unit (PMU). The recommendation is to implement a Headquarter PMU instead of a separate operational units on the ground. This view is guided by the findings of the study which indicate that some facilities receive very limited petroleum vessels per month, and it may neither be prudent nor efficient to set aside resources to establish separate operating units to manage the sector.

4.2.1 Company Profiles

The written profiles of companies that import petroleum in Jamaica had not been finalized at the end of the study due to challenges experienced by Customers Officers in retrieving the requisite information. One explanation given for these challenges was the lack of a requirement for formal audits of the companies.

Table 11 below outlines a proposed Implementation Action Plan to establish a Petroleum Monitoring Unit (PMU) within JCD.

TABLE 11 - Implementation Action Plan for the Recommendations to Establish a Petroleum Monitoring Unit in JCD, including General Job Descriptions

IMPLEMENTATION ACTION PLAN TO ESTABLISH A PETROLEUM MONITORING UNIT				
Activity		Task	Time Frame	Remarks
1	Set up a centralized office to co-ordinate all administrative and operational processes for the petroleum sector.	<p>Identify a senior manager and staff with responsibility for:</p> <ul style="list-style-type: none"> - Liaising with Sufferance Wharves, Kingston Wharves and other Collectorates for all petroleum discharges; - Monitoring revenue collection and revenue performance against targets; - Collection and collation of discharge and revenue data for petroleum products; - Liaising with TAJ Excise Officers at Petrojam for reconciliation of back loaded volumes; - Issuance of management reports; - Customer relationship management with oil companies; - Dissemination of policy on trade and tariff on petroleum products to officers and oil companies; - Following up on training for capacity building i.e. identifying officers and liaising their training; - Continuous Monitoring and Evaluation of performance of the unit to ensure that slated objectives are being met. 	Short Term	
2	Standard Operating Procedures (SOPs)	<ul style="list-style-type: none"> i) Document procedures and secure approval; ii) Circulate to ALL officers who handle petroleum products in Kingston and all Collectorates; iii) Monitor usage and enforce compliance. 	Short Term	<ul style="list-style-type: none"> i) Montego Bay has documented procedures. ii) Draft Procedures for managing Discharge and Bunkering are included in this report
3	Sensitization	<p>PMU manager:</p> <ul style="list-style-type: none"> - Sensitize staff on new unit; - Usage of uniform procedures. 	Short Term	

IMPLEMENTATION ACTION PLAN FOR SETTING UP A PETROLEUM MONITORING UNIT				
Activity		Task	Time Frame	Remarks
4	Capacity building - Target to have at least 30% of Customs Officers equipped with the necessary petroleum technical skills by end 2012.	i) Develop a Training Program and identify officers for training in the requisite skill areas and techniques; ii) Liaise with TAJ Excise Officers for in- house training; iii) Procurement of formal training to be conducted by an Oil specialist; vi) Monitor and Evaluate effectiveness of training; v) Retrain, as necessary.	Medium to Long term	
4 (b)	Requisite Techniques and Skills	Recommended courses include but are not limited to the following: i) Introduction to Hydrocarbons/ Introduction to Oils; ii) Physical measurement techniques; iii) Petroleum Custody Transfer and Stock Management; iv) Oil Accounting.		
5	Monitoring & Evaluation	Quarterly Reports to include Revenue performance report to evaluate effectiveness of the unit.	Ongoing	

TABLE 12 - Jamaica Customs Department/Stakeholders Contact List

Name	Position/Department
Lance MacDonald	JCD - Assigned to International & Industry Liaison Unit
Norman Munoz	JCD - Assistant Commissioner (Compliance & Post Audit)
Kirk Benjamin	JCD - Manager (Sufferance Wharves & Out Ports)
Judith Burrell	JCD - Supervisor (Risk Management)
Velma Ricketts	JCD - Acting Assistant Commissioner (Border Protection)
Patricka Wiggan-Chambers	JCD - Director (Executive Services)
Araya Thorne	JCD - Manager (Warehouse Branch)
George Kontogeorgis	Aegean Bunkering (Jam) Ltd. - Managing Director
Norman W Perrin	Petrojam Ltd.- Oil Movement & Sales Supervisor
Patrick Rambaran	Cool Petroleum - Operations Manager
Mr. Ormsby	Cool Petroleum - Consultant
Ronald Baker	TAJ - (Excise Officer assigned to Petrojam Ltd.)
Lenworth Henry	JCD - Customs Supervisor (St. Ann's Bay - Noranda Jamaica Bauxite Partners)
Royston Osbourne	JCD - Customs Officer (St. Ann's - Noranda)
Roy Adams	Jamaica Petroleum Terminal Ltd. - Montego Bay - Manager

Name	Position/Department
Michael Channer	Jamaica Petroleum Terminal Ltd. - Loading Master
Martin Gayle	Jamaica Petroleum Terminal Ltd. - Supervisor
Oral Pearson	Gas Pro (Montego Bay) - Depot Supervisor
Maxine Bowen	JCD - Manager Montego Bay (Container Station)
Howard Wint	JCD - Officers at Montego Bay (Monitors Petroleum)
Claudette Spence	JCD - Officer (Montego Bay - involved in the monitoring of Petroleum)
Lerone Campbell	JCD - Senior Officers (Sufferance Wharves - Port Esquivel & Rocky Point)
Winsome Tulloch	JCD - Supervisor (Sufferance Wharves - Head Office Kgn.)
Natalie Coke	JCD - Officer (Sufferance Wharves - Head Office Kgn.)
Leighton Gordon	JCD - Officer (Sufferance Wharves - Port Royal)
Peter Lim-Tom	JCD - Officer (Sufferance Wharves - Port Royal)
Clyde Thompson	JCD - Consultant

5. References

1. The Customs Act, 1941.
2. The Customs Regulations, 1955.
3. Instructions for the Guidance of Officers of Customs (IGOC), 1996.
4. The Procedure for the clearance of Petroleum Products, Montego Bay issued 6th January 2012.
5. The Integrated Tariff as at 15th January 2012.
6. The Free Code listing as at January 2011.
7. The Bauxite and Alumina Industries (Encouragement) Act, 1950.
8. The Petroleum Act.
9. The Petroleum (Amendment) Act.
10. Green Paper – The Jamaica Energy policy, 2006-2020.

APPENDIX 1 - Integrated Tariff (as at January 15, 2012)

Tariff Code	Description	ID 01	ASD05	GCT 06	EXC023	SCTA08	SCTS18	SCTF028	SCF90	ENVL20	DCess96	CUF112	Aggreg. Limit	End Use	Alt. End Use	Units 1	Un 2
2207000000	Undenatured ethyl alcohol of an alcoholic strength by volume of 80% vol or higher; ethyl alcohol and other spirits, denatured, of any strength.																
2207100000	Undenatured ethyl alcohol of an alcoholic strength by volume of 80% or higher:																
2207100010	Ethanol fuel	0	-	0.175	-	-	-	-	0.003	0.005		0.02	-	54	0	kg	l
2207100090	Other undenatured ethyl alcohol of an alcoholic strength by volume of 80% or higher	0.3	0.35	0.175	-	-	J\$960	-	0.003	0.005		0.02	-	54	0	kg	l
2207200000	Ethyl alcohol and other spirits, denatured, of any strength, nesoi:																
2207200010	Ethanol fuel	0	-	0.175	-	-	-	-	0.003	0.005		0.02	-	54	0	kg	l
2207200090	Ethyl alcohol and other spirits, denatured, of any strength, nesoi	0.3	-	0.175	-	-	-	-	0.003	0.005		0.02	-	54	0	kg	l
2707991000	Gasoline blending preparations	0.15	-	0.175	-	-	-	-	0.003	0.005		0.02	-	57	0	kg/m3	
2707999000	Other	0.15	-	0.175	-	-	-	-	0.003	0.005		0.02	-	56	57	kg/m3	
2708000000	Pitch and pitch coke, obtained from coal tar or from other mineral tars.																
2708100000	Pitch	0.15	-	0.175	-	-	-	-	0.003	0.005		0.02	-	63	54	kg/m3	
2708200000	Pitch coke	0.05	-	0.175	-	-	-	-	0.003	0.005		0.02	-	63	54	kg/m3	
2709000000	Petroleum oils and oils obtained from bituminous minerals, crude.																
2709001000	Imported under the processing agreement	0	-	0.175	-	-	-	-	0.003	0.005		0.02	-	55	0	kg/m3	
2709009000	Other	0	-	0.175	-	-	-	-	0.003	0.005		0.02	-	55	0	kg/m3	
2710000000	Petroleum oils and oils obtained from bituminous minerals, other than crude; preparations not elsewhere specified or included, containing by weight 70% or more of petroleum oils or of oils obtained from bituminous minerals, these oils being the basic .																
27101000XX	Petroleum oils and oils obtained from bituminous minerals (other than crude) and preparations not elsewhere specified or included, containing by weight 70% or more of petroleum oils or of oils obtained from bituminous minerals, these oils being the basic constituents of the preparations, other than waste oils:																
2710110000	Light oils and preparations:																
2710111000	Aviation Spirit of 100 octane and over	0	-	-	-	-	0.63571	-	0.003	0.005		0.02	-	56	0	kg/m3	
2710112000	Aviation Spirit under 100 octane	0	-	-	-	-	0.0117	0.010687	0.003	0.005		0.02	-	56	0	kg/m3	

Tariff Code	Description	ID 01	ASD05	GCT 06	EXC023	SCTA08	SCTS18	SCTF028	SCF90	ENVL20	DCess96	CUF112	Aggreg. Limit	End Use	Alt. End Use	Units 1	Un 2
2710113000	Motor Spirit (gasoline):																
2710113010	Motor spirit (gasoline) , leaded exported under the processing agreement	0.1	-	-	-	0.1	16.4698	-	0.003	0.005		0.05	-	56	0	kg/m3	
2710113020	Motor spirit (gasoline), unleaded having an octane rating not exceeding 87, determined on the road octane method	0.1	-	-		0.1	16.1061	-	0.003	0.005		0.05	-	56	0	kg/m3	
2710113030	Motor spirit (gasoline), unleaded having an octane rating exceeding 87, determined on the road octane method	0.1	-	-	-	0.1	16.4792	-	0.003	0.005		0.05	-	56	0		
2710114000	Spirit type (gasoline type) jet fuel	0	-	0.175	-	-	-	-	-	0.005		0.02	-	57	0	kg/m3	
2710119000	Other	0	-	-	-	-	0.63571	-	0.003	0.005		0.05	-	56	0	kg/m3	
2710190000	Other:																
2710191000	Kerosene type jet fuel:																
2710191010	Kerosene type jet fuel (excluding turbojet A1 fuel)	0	-	-	-	0.1	15.4145	-	0.003	0.005		0.02	-	57	0	kg/m3	
2710191020	Turbojet A1 fuel.	0	-	-	-	-	0	0	0.003	0.005		0.02	-	57	0	kg/m3	
2710192000	Illuminating kerosene	0.1	-	-	-	0.1	15.4145	-	0.003	0.005		0.05	-	57	0	kg/m3	
2710193000	Vapourising oil or white spirit	0.1	-	0.175	-	-	-	-	-	0.005		0.05	-	57	0	kg/m3	
2710194000	Diesel oil:																
2710194010	Automotive Diesel oil	0.1	-	-	-	0.1	15.4145	-	0.003	0.005		0.05	-	57	0	kg/m3	
2710194020	Marine Diesel oil	0.1	-	-	-	0.1	15.4145	0.010407	0.003	0.005		0.05	-	57	0	kg/m3	
2710195000	Gas oils (other than diesel oil)	0.1	-	0.175	-	-	-	-	0.003	0.005		0.05	-	57	0	kg/m3	
2710196000	Bunker 'C' grade fuel oil	0.1	-	-	-	-	0.1512	-	0.003	0.005		0.05	-	57	0	kg/m3	
2710197000	Partly refined petroleum, including topped crudes	0.05	-	0.175	-	-	-	-	0.003	0.005		0.02	-	57	0	kg/m3	

Tariff Code	Description	ID 01	ASD05	GCT 06	EXC023	SCTA08	SCTS18	SCTF028	SCF90	ENVL20	DCess96	CUF112	Aggreg. Limit	End Use	Alt. End Use	Units 1	Un 2
2710198000	Lubricating oil base stocks, lubricating oils greases:																
2710198100	Lubricating oil base stock (Paraffinic type)	0.15	-	0.175	-	-	-	-	0.003	0.005		0.02	-	57	0	kg/m3	
2710198200	Other lubricating oil base stock	0.15	-	0.175	-	-	-	-	0.003	0.005		0.02	-	57	0	kg/m3	
2710198300	Lubricating oils	0.25	-	0.175	-	-	-	-	0.003	0.005		0.05	-	57	0	kg/m3	
2710198400	Lubricating greases	0.25	-	0.175	-	-	-	-	0.003	0.005		0.05	-	57	0	kg/m3	
2710198500	Hydraulic brake fluids and other prepared liquids for hydraulic transmission	0.15	-	0.175	-	-	-	-	0.003	0.005		0.05	-	57	0	kg/m3	
2710198600	Transformer oil	0.05	-	0.175	-	-	-	-	0.003	0.005		0.05	-	57	0	kg/m3	
27109000XX	Waste oils:																
2710910000	Containing polychlorinated biphenyls (PCBs), polychlorinated terphenyls (PCTs) or polybrominated biphenyls (PBBs)	0.05	-	0.175	-	-	-	-	-	0.005		0.05	-	57	0	kg/m3	
2710990000	Other	0.05	-	0.175	-	-	-	-	0.003	0.005		0.05	-	57	0	kg/m3	
2711000000	Petroleum gases and other gaseous hydrocarbons.																
27111000XX	Liquefied:																
2711110000	Natural gas	0	-	0.175	-	-	-	-	0.003	0.005		0.02	-	57	0	kg/m3	
2711120000	Propane	0	-	-	-	0.00395	0.006005	-	0.003	0.005		0.02	-	57	0	kg/m3	
2711130000	Butanes	0	-	-	-	0.00395	0.006005	-	0.003	0.005		0.02	-	57	0	kg/m3	
2711140000	Ethylene, propylene, butylenes and butadiene	0.05	-	0.175	-	-	-	-	0.003	0.005		0.02	-	57	0	kg/m3	
2711190000	Other	0.05	-	0.175	-	-	-	-	0.003	0.005		0.02	-	57	0	kg/m3	
27112000XX	In gaseous state:																
2711210000	Natural gas	0	-	0.175	-	-	-	-	0.003	0.005		0.02	-	55	0	kg/m3	
2711290000	Other	0	-	0.175	-	-	-	-	0.003	0.005		0.02	-	55	0	kg/m3	
2713000000	Petroleum coke, petroleum bitumen and other residues of petroleum oils or of oils obtained from bituminous minerals.																
27131000XX	Petroleum coke:																
2713110000	Not calcined	0.05	-	0.175	-	-	-	-	0.003	0.005		0.02	-	54	57	kg	
2713120000	Calcined	0.05	-	0.175	-	-	-	-	0.003	0.005		0.02	-	54	0	kg	

Tariff Code	Description	ID 01	ASD05	GCT 06	EXC023	SCTA08	SCTS18	SCTF028	SCF90	ENVL20	DCess96	CUF112	Aggreg. Limit	End Use	Alt. End Use	Units 1	Un 2
2713200000	Petroleum bitumen	0.1	-	0.175	-	-	-	-	0.003	0.005		0.02	-	54	0	kg	
2713900000	Other residues of petroleum oils or of oils obtained from bituminous mineral	0.1	-	0.175	-	-	-	-	0.003	0.005		0.02	-	54	0	kg	
2714000000	Bitumen and asphalt, natural; bituminous or oil shale and tar sands; asphaltites and asphaltic rocks:																
2714100000	Bituminous or oil shale and tar sands	0.1	-	0.175	-	-	-	-	0.003	0.005		0.02	-	63	53	kg	
2714900000	Other:																
2714901000	Natural bitumen	0.1	-	0.175	-	-	-	-	0.003	0.005		0.02	-	63	53	kg	
2714902000	Natural asphalt	0.1	-	0.175	-	-	-	-	0.003	0.005		0.02	-	63	53	kg	
2714903000	Asphaltites and asphaltic rocks	0.1	-	0.175	-	-	-	-	0.003	0.005		0.02	-	63	53	kg	
2714909000	Other	0.1	-	0.175	-	-	-	-	-	0.005		0.02	-	49	0	kg	
2715000000	Bituminous mixtures based on natural asphalt, on natural bitumen, on petroleum bitumen, on mineral tar or on mineral tarpitch (for example, bituminous mastics, cut-backs).																
2715001000	Cut-backs	0.1	-	-	-	-	0.3703	-	0.003	0.005		0.02	-	63	54	kg	
2715009000	Other:																
2715009010	Petroleum asphalt.	0.1	-	-	-	-	0.3703	-	0.003	0.005		0.02	-	63	54	kg	
2715009090	Bituminous mixtures etc.	0.1	-	0.175	-	-	-	-	0.003	0.005		0.02	-	54	63	kg	

APPENDIX 2 - Free Codes as at January 2011

Status	FreeCode	Tax Id	Freecode Description	Rate
Active	001.00	ASD	CARICOM	0
Active	002.00	ASD	Government	0
Active	003.00	ASD	Prescription drugs.	0
Active	004.00	ASD	Fertilizers	0
Active	005.00	ASD	Diesel oil, Kerosene oil, and crude petroleum.	0
Active	006.00	ASD	Re-imported goods.	0
Active	007.00	ASD	Specific food items.	0
Active	008.00	ASD	Passengers baggage and household effects.	0
Active	009.00	ASD	Gift Parcels of a value not exceeding \$200 each.	0
Active	010.00	ASD	Raw materials for the manufacture of specified goods.	0
Active	011.00	ASD	Animal feeds.	0
Active	012.00	ASD	Goods relating to the heading "aircraft" as described in item 2 of the second schedule.	0
Active	013.00	ASD	Infant foods.	0
Active	014.00	ASD	Goods for schools and hospitals.	0
Active	015.00	ASD	Fuel oil for public utility.	0
Active	016.00	ASD	Sports equipment.	0
Active	017.00	ASD	Goods imported under special government agreement.	0
Active	018.00	ASD	Specific tariff items.	0
Active	019.00	ASD	Newsprint imported as raw material for the manufacture of specified goods.	0
Active	020.00	ASD	Aviation gasoline.	0
Active	021.00	ASD	Containers	0
Active	022.00	ASD	Oats for the manufacture of cereal foods.	0
Active	023.00	ASD	Motor vehicle parts and accessories not manufactured in Jamaica	0
Active	024.00	ASD	Governor General	0
Active	025.00	ASD	Medical implants and aids.	0
Active	026.00	ASD	Invalid carriages.	0
Active	027.00	ASD	Machinery and parts for use in the manufacture of goods for export.	0
Active	030.00	ASD	Insecticides, fungicides, herbicides imported for agricultural or horticultural purposes.	0
Active	031.00	ASD	Bauxite and alumina industry.	0
Active	032.00	ASD	Raw material for the manufacture of specified goods.	0
Active	033.00	ASD	Raw material under the Excise or GCT Act.	0
Active	034.00	ASD	Newsprint imported as raw material to manufacture goods other than those specified in item 19 of Appendix B.	0
Active	035.00	ASD	Tyre carcass for tyre treading industry.	0
Active	036.00	ASD	Motor vehicle parts and accessories for goods in item 23 of Appendix B.	0

Status	FreeCode	Tax Id	Freecode Description	Rate
Active	037.00	ASD	Capital goods.	0
Active	038.00	ASD	Specified goods exempted from additional stamp duty.	0
Active	039.00	ASD	Specified goods exempted from additional stamp duty set out in parts (i) and (ii) of appendix a, if imported as raw material.	0
Active	192.00	ASD	Warehousing - Duty Free Shops	0
Active	910.00	ASD	Hotel incentives.	0
Active	930.00	ASD	Pioneer industries.	0
Active	940.00	ASD	Motion picture industries.	0
Active	950.00	ASD	Remission by Minister	0
Active	950.05	ASD	5% ASD Payable	0.05
Active	950.10	ASD	10% ASD Payable	0.1
Active	950.15	ASD	15% ASD Payable	0.15
Active	950.20	ASD	20% ASD Payable	0.2
Active	950.25	ASD	25% ASD Payable	0.25
Active	950.30'	ASD	30% ASD Payable	0.3
Active	950.35	ASD	35% ASD Payable	0.35
Active	950.40'	ASD	40% ASD Payable	0.4
Active	950.45	ASD	45% ASD Payable	0.45
Active	950.50	ASD	50% ASD Payable	0.5
Active	950.55	ASD	55% ASD Payable	0.55
Active	950.60	ASD	60% ASD Payable	0.6
Active	950.65	ASD	65% ASD Payable	0.65
Active	950.70	ASD	70% ASD Payable	0.7
Active	950.75	ASD	75% ASD Payable	0.75
Active	950.80	ASD	80% ASD Payable	0.8
Active	950.85	ASD	85% ASD Payable	0.85
Active	950.90	ASD	90% ASD Payable	0.9
Active	950.95	ASD	95% ASD Payable	0.95
Active	951.00	ASD	General remission/waiver.	0
Active	952.00	ASD	Remission/waiver under own act.	0
Active	952.10	ASD	ICC CRICKET WORLD CUP WEST INDIES 2007 ACT	0
Active	960.00	ASD	UWI	0
Active	970.00	ASD	Public transport (corp. area).	0
Active	975.00	ASD	High Commission and Embassy	0
Active	978.00	ASD	807	0
Active	980.00	ASD	Export Industries (EIEA)	0
Active	981.00	ASD	Single Entity Free Zone	0
Active	994.06	ASD	6% ASD payable.	0.06
Active	994.94	ASD	Deferral of payment to time of sale for export.	0
Active	194.01	CUF	Goods Imported by the Government.	0

Status	FreeCode	Tax Id	Freecode Description	Rate
Active	194.02	CUF	Goods Imported by Diplomat.	0
Active	194.03	CUF	Goods Imported by International Organizations.	0
Active	194.04	CUF	Goods Imported by Passenger (up to US\$500 Allowance).	0
Active	194.05	CUF	Entry of goods previously short shipped.	0
Active	194.06	CUF	DeNovo Entries which attract no additional duty.	0
Active	194.07	CUF	Goods entered for warehousing.	0
Active	194.08	CUF	Goods of the Ja. origin re-imported under Section 16 of the Customs Act.	0
Active	194.09	CUF	807 Companies.	0
Active	194.10	CUF	Goods cleared on previous Entry Procedure and for which all duties were deposited.	0
Active	194.11	CUF	Single Entity Freezones	0
Active	194.12	CUF	Food for the Poor	0
Active	194.13	CUF	New Manufacturers	0
Active	194.14	CUF	Goods listed under Parts I and II of the Schedule to Bauxite and Alumina Encouragement Act.	0
Active	194.15	CUF	Paragraph 10 of Schedule to Section 19 of Customs Act.	0
Active	194.16	CUF	Aviation fuel supplied by Marketing Companies to airline operators/services.	0
Active	194.17	CUF	Temporary Importation of equipment used in the film and entertainment industry facilitated through Jamaica Trade and Investment and Jamaica Tourist Board.	0
Active	194.18	CUF	Raw materials imported by manufacturers for use in industry.	
Active	194.19	CUF	Containers and packaging materials imported by manufacturers for use in industry.	
Active	194.20	CUF	Capital goods imported by manufacturers for use in industry.	
Active	194.21	CUF	Capital equipment imported by members of the agricultural sector so certified by the Minister responsible for agriculture.	
Active	194.22	CUF	Fuel imported under the Petrocaribe Agreement.	0.02
Active	194.23	CUF	Approved goods imported by licensed in-bond operators for export sales.	0
Active	194.24	CUF	Fuel oils for exportation via bunkering vessels.	0
Active	950.00	CUF	Waiver of CUF payable.	0
Active	950.50	CUF	50% CUF payable.	0.5
Active	950.94	CUF	94% CUF payable on crude petroleum imported by Petrojam.	0.94
Active	952.10	CUF	ICC CRICKET WORLD CUP WEST INDIES 2007 ACT	0
Active	001.00	DUTY	Aids and materials for the disabled.	0
Active	002.00	DUTY	Aircraft.	0
Active	006.00	DUTY	Baggage and household effects.	0
Active	006.10	DUTY	Household effects and tools of the trade for returning residents.	0
Active	014.00	DUTY	Worn clothing imported by any approved welfare organization for free distribution.	0
Active	015.00	DUTY	Clothing for indigent school children donated to the Ministry of Education.	0

Status	FreeCode	Tax Id	Freecode Description	Rate
Active	028.01	DUTY	Fuel oils for ocean-going ships.	0
Active	030.01	DUTY	Goods intended to assist economic development of Jamaica.	0
Active	030.02	DUTY	Goods used in rehabilitation or relief activities.	0
Active	031.02	DUTY	Sound recorders, sound reproducers and parts thereof for industrial use in manufacturing.	0.05
Active	031.03	DUTY	Fats and oils of fish and marine mammals for manufacturing.	0
Active	031.04	DUTY	Vegetable oils for manufacturing.	0
Active	031.05	DUTY	Tomato paste for manufacturing.	0
Active	031.06	DUTY	Fruit pulp and paste (excluding pineapple, guava, citrus and mango) for manufacturing.	0
Active	031.07	DUTY	Terpenic by-products of essential oils for manufacturing soap.	0
Active	031.08	DUTY	Concentrates of oils in fats, in fixed oils, or in waxes for manufacturing soap.	0
Active	031.09	DUTY	Aqueous distillates and aqueous solutions of essential oils for manufacturing soap.	0
Active	031.10	DUTY	Mixtures of two or more odoriferous substances for manufacturing.	0
Active	031.11	DUTY	Rubber thread (unvulcanized) for manufacturing.	0
Active	031.12	DUTY	Rubber thread (vulcanized) for manufacturing.	0
Active	031.13	DUTY	Erasers of unhardened, vulcanized rubber for manufacturing.	0
Active	031.14	DUTY	Yarn of man-made fibre (continuous) for manufacturing.	0
Active	031.15	DUTY	Rayon griegie for manufacturing.	0
Active	031.16	DUTY	Yarn of man-made fibre (discontinuous or waste) for manufacturing.	0
Active	031.17	DUTY	Cotton gauze for manufacturing.	0
Active	031.18	DUTY	Hat bodies for manufacturing.	0
Active	031.19	DUTY	Hat shapes for manufacturing.	0
Active	031.20	DUTY	Brake lining (unfinished, uncured) of asbestos for manufacturing.	0
Active	031.21	DUTY	Wrought bars, rods, angles, shapes and sections of copper for manufacturing.	0
Active	031.22	DUTY	Wrought plates, sheets and strips of copper for manufacturing.	0
Active	031.23	DUTY	Copper foil for manufacturing.	0
Active	031.24	DUTY	Tubes and pipes and blanks therefore and hollow bars of copper for manufacturing.	0
Active	031.25	DUTY	Tubes and pipe fittings of copper for manufacturing.	0
Active	031.26	DUTY	Copper ferrules for manufacturing.	0
Active	031.27	DUTY	Wrought bars, rods, angles, shapes and sections of aluminium and aluminium wire for manufacturing.	0
Active	031.28	DUTY	Wrought plates, sheets and strips of aluminum for manufacturing.	0
Active	031.29	DUTY	Aluminium foil for manufacturing.	0
Active	031.30	DUTY	Aluminium powders and flakes for manufacturing.	0
Active	031.31	DUTY	Tubes, pipes and blanks therefore and hollow bars of aluminium for manufacturing.	0
Active	031.32	DUTY	Aluminium tubes and pipe fittings for manufacturing.	0
Active	031.33	DUTY	Knives for agricultural or horticultural use.	0

Status	FreeCode	Tax Id	Freecode Description	Rate
Active	031.34	DUTY	Scissors and blades therefore for agricultural or horticultural use.	0
Active	031.35	DUTY	Other articles of cutlery for agricultural or horticultural use.	0
Active	031.36	DUTY	Brake shoes which have no brake lining imported for manufacturing.	0.2
Active	031.37	DUTY	Blanks for buttons for manufacturing.	0
Active	031.38	DUTY	Component parts used in the manufacture of ball-pointed pens.	0
Active	031.39	DUTY	Wooden lead pencils in the rough imported by a manufacturer for finishing.	0
Active	031.40	DUTY	Motor cars imported by specified category of persons.	0
Active	032.00	DUTY	Hospitals (private).	0
Active	032.01	DUTY	Ambulances for sugar estates.	0.05
Active	032.02	DUTY	Animals for breeding; semen for artificial insemination of animals; poultry egg for hatching.	0.05
Active	032.03	DUTY	Beehives and bee-keeping accessories.	0.05
Active	032.04	DUTY	Boatbuilding materials.	0
Active	032.05	DUTY	Brooms and brushes, materials for manufacturing.	0
Active	032.06	DUTY	Cane slings for use on sugar estate.	0.05
Active	032.08	DUTY	Containers for use by the distributive trade.	0.1
Active	032.10	DUTY	Electric light and power (i.e. goods for generating, storing, conduction and measuring electricity and converting it into power or light).	0.05
Active	032.12	DUTY	Essential and edible oils, materials used in manufacturing.	0
Active	032.14	DUTY	Filtering materials for manufacturing.	0
Active	032.15	DUTY	Firefighting apparatus.	0.05
Active	032.17	DUTY	Food processing machinery and equipment.	0.05
Active	032.18	DUTY	Substances used in preparation of fruit and vegetables for export; rubber barrels imported by the Banana Board for the washing of bananas for export.	0
Active	032.19	DUTY	Garment labels, ribbon and tape for making.	0
Active	032.20	DUTY	Grafting and budding tape used for horticultural purposes.	0.05
Active	032.22	DUTY	Leaf tobacco (unmanufactured) for use as wrapping leaf in the manufacture of cigars.	0
Active	032.23	DUTY	Machine belt fasteners.	0.05
Active	032.25	DUTY	Meteorological offices, materials and equipment.	0.05
Active	032.26	DUTY	Minerals and petroleum, machinery etc. for exploration and prospecting.	0.05
Active	032.28	DUTY	Paint etc, raw materials for manufacturing.	0
Active	032.29	DUTY	Paper and other pots for potting vegetable seedlings.	0
Active	032.31	DUTY	Pipes and pipe fittings.	0.05
Active	032.32	DUTY	Plant fertilizers.	0
Active	032.33	DUTY	Printing materials, specified.	0
Active	032.35	DUTY	Research institutions, equipment.	0.05
Active	032.36	DUTY	Scientific instruments and apparatus consigned to approved scientific institutions.	0.15

Status	FreeCode	Tax Id	Freecode Description	Rate
Active	032.37	DUTY	Seed-bed cloth (i.e. impregnated fabric imported for agricultural purposes).	0
Active	032.38	DUTY	Seed potatoes and seeds for planting.	0.05
Active	032.39	DUTY	Soil and plant testing equipment and soil conditioners.	0.05
Active	032.42	DUTY	Telephone materials and equipment for telephone service.	0.1
Active	032.43	DUTY	Telephonic and telegraphic apparatus, raw materials for use in manufacturing.	0.05
Active	032.50	DUTY	Steel machinery etc, for use in manufacturing.	0.05
Active	033.01	DUTY	Raw materials for specified manufacturing purpose.	0
Active	033.03	DUTY	Raw materials for printing ink.	0
Active	033.04	DUTY	Raw materials for use in manufacturing of steel.	0
Active	033.05	DUTY	Raw materials for manufacturing toilet preparations.	0
Active	033.06	DUTY	Raw materials for manufacturing tyres and tubes.	0
Active	033.07	DUTY	Alloy and carbon steel for manufacturing.	0
Active	033.08	DUTY	Armed forces including arms, uniform and equipment for approved volunteer forces, cadet force or rifle association.	0.05
Active	033.09	DUTY	Asbestos for manufacturing.	0
Active	033.10	DUTY	Cambridge local examinations committee, stationary.	0.05
Active	033.11	DUTY	Containers	0
Active	033.12	DUTY	Fishing gear, commercial.	0.05
Active	033.13	DUTY	Government	0.05
Active	033.14	DUTY	Insecticides, fungicides, wood preservatives, etc.	0.05
Active	033.15	DUTY	Iron or steel wire for manufacturing.	0
Active	033.16	DUTY	Iron or steel wire MESH imported for manufacturing or agricultural purposes.	0
Active	033.17	DUTY	Livestock, dairy and poultry industries.	0.05
Active	033.18	DUTY	Lubricating oil, materials used in manufacturing.	0
Active	033.19	DUTY	Soap manufacturers, materials.	0
Active	033.20	DUTY	Sports equipment for specified categories of sport.	0
Active	033.21	DUTY	Sulphur for industrial use.	0
Active	033.22	DUTY	Wire rods of iron or steel for manufacturing.	0
Active	033.23	DUTY	Manufacturing equipment subject to high rate of depreciation.	0
Active	033.24	DUTY	Pharmaceutical and medicinal products, substances and ingredients for use in manufacturing.	0
Active	033.25	DUTY	Milk solids for use in the manufacture of condensed milk; milk powder for the manufacture of baked products, chocolate, ice cream, yoghurt, chocolate confectionary and flavoured milk drinks.	0.05
Active	033.26	DUTY	Energy conservation.	0.05
Active	039.01	DUTY	Materials used for performance of contract with government.	0
Active	050.00	DUTY	Place of worship.	0
Active	051.00	DUTY	Plant fertilizers.	0
Active	052.00	DUTY	Postal packets and parcels.	0
Active	056.00	DUTY	Red cross and St. John Ambulance Association.	0

Status	FreeCode	Tax Id	Freecode Description	Rate
Active	058.00	DUTY	Schools	0
Active	078.00	DUTY	Research And Development, equipment and material.	0
Active	079.00	DUTY	Research And Development	0
Active	132.41	DUTY	Telecommunication materials.	0.1
Active	191.00	DUTY	Duty remission in excess of 5%.	0.05
Active	232.41	DUTY	Aeronautical Telecommunications Ltd. (AEROTEL).	0.05
Active	900.00	DUTY	CARICOM	0
Active	900.10	DUTY	CARICOM/Columbia Free Trade Agreement.	0
Active	900.20	DUTY	Caricom/Dominican Republic Free Trade Agreement.	0
Active	900.75	DUTY	75% of Most Favoured Nation Rate of Duty Payable	0.75
Active	910.00	DUTY	Hotel Incentives.	0
Active	920.00	DUTY	Bauxite and Alumina Industry	0
Active	930.00	DUTY	Pioneer Industries	0
Active	940.00	DUTY	Motion Picture Industries	0
Active	950.00	DUTY	Remission by Minister	0
Active	950.05	DUTY	05% Import Duty Payable	0.05
Active	950.10	DUTY	10% Import Duty Payable	0.1
Active	950.15	DUTY	15% Import Duty Payable	0.15
Active	950.20	DUTY	20% Import Duty Payable	0.2
Active	950.21	DUTY	52% Import Duty payable (Special)	0.208
Active	950.25	DUTY	25% Import Duty Payable	0.25
Active	950.30	DUTY	30% Import Duty Payable	0.3
Active	950.35	DUTY	35% Import Duty Payable	0.35
Active	950.40	DUTY	40% Import Duty Payable	0.4
Active	950.45	DUTY	45% Import Duty Payable	0.45
Active	950.50	DUTY	50% Import Duty Payable	0.5
Active	950.55	DUTY	55% Import Duty Payable	0.55
Active	950.60	DUTY	60% Import Duty Payable	0.6
Active	950.65	DUTY	65% Import Duty Payable	0.65
Active	950.70	DUTY	70% Import Duty Payable	0.7
Active	950.75	DUTY	75% Import Duty Payable	0.75
Active	950.80	DUTY	80% Import Duty Payable	0.8
Active	950.85	DUTY	85% Import Duty Payable	0.85
Active	950.90	DUTY	90% Import Duty Payable	0.9
Active	951.00	DUTY	General Remission/Waiver	0
Active	951.01	DUTY	Paragraph 10 of Schedule to Section 19 of Customs Act.	0
Active	952.00	DUTY	Remission/Waiver Under Own Act	0
Active	952.10	DUTY	ICC CRICKET WORLD CUP WEST INDIES 2007 ACT	0
Active	953.00	DUTY	Remission/Sec. 16 Customs Act.	0
Active	953.10	DUTY	Reimported goods of Jamaican origin.	0

Status	FreeCode	Tax Id	Freecode Description	Rate
Active	953.20	DUTY	Reimported goods repaired abroad without changing its character.	0
Active	960.00	DUTY	UWI	0
Active	960.10	DUTY	University Hospital of the West Indies	0
Active	970.00	DUTY	Public Transport (Corp. area)	0
Active	975.00	DUTY	High Commission and Embassy, etc.	0
Active	976.00	DUTY	Industrial Incentive	0
Active	977.00	DUTY	Petroleum Act	0
Active	977.27	DUTY	Gasoline products imported under the Petro Caribe Agreement.	0
Active	978.00	DUTY	807	0
Active	980.00	DUTY	Export Industries (EIEA)	0
Active	981.00	DUTY	Single Entity Free Zone	0
Active	990.00	DUTY	Raw materials which qualify for treatment under the third schedule and which are listed under items 10 and 19 of appendix B of the Stamp Duty Act.	0
Active	994.00	DUTY	Warehousing - Duty Free Shops	0
Active	195.01	ENVL	Goods imported by the Government	0
Active	195.02	ENVL	Goods imported by diplomats.	0
Active	195.03	ENVL	Goods Imported by International Organizations	0
Active	195.04	ENVL	Goods imported by passengers up to \$500 allowance.	0
Active	195.05	ENVL	Denovo entries which attract no additional duties.	0
Active	195.06	ENVL	Entry for goods previously short shipped.	0
Active	195.07	ENVL	Goods entered for warehousing.	0
Active	195.08	ENVL	Goods cleared on previous entry procedure and for which all duties were deposited.	0
Active	195.09	ENVL	Goods of Jamaican origin reimported under Section 16 of the Customs Act.	0
Active	195.10	ENVL	Food for the Poor	0
Active	195.11	ENVL	Single Entity Freezone	0
Active	195.12	ENVL	Aviation fuel supplied by Marketing Companies to airline operators/services.	0
Active	195.13	ENVL	Air Jamaica entries submitted at cashier for processing prior to 01-Jun – 2007.	0
Active	195.14	ENVL	Equipment imported for use in the Film and Entertainment Industry facilitated through Jamaica trade and Invest and tourist Board.	0
Active	195.15	ENVL	Approved goods imported by licensed in-bond operators for export sales.	0
	195.16	ENVL	Fuel oils for exportation via bunkering vessels.	0
	195.17	ENVL	Goods imported by companies operating under the Bauxite and Alumina Industries (Encouragement) Act.	0
Active	950.00	ENVL	Waiver of Environmental Levy	0
Active	951.01	ENVL	Paragraph 10 of the schedule to Section 19 of the Customs Act.	0
Active	952.10	ENVL	Goods imported in accordance with provisions of Section 15-ICC Cricket World Cup WI 2007-Act No. 10-2006 d/d 31/10/2006.	0
Active	014.02	EXC023	Diplomatic & Intl organizations.	0

Status	FreeCode	Tax Id	Freecode Description	Rate
Active	015.01	EXC023	Goods exported under prescribed circumstances.	0
Active	981.00	EXC023	Single Entity Free Zone	0
InActive	012.01	GCT	Animal feeds except pet foods.	0
InActive	012.03	GCT	Machetes; 4 1/2" (114.3 mm) triangular cutlass files, grubbing hoes farm forks (that is to say four-pronged forks), which the Commissioner of Inland revenue is satisfied are purchased solely for the use in agricultural activities.	0
InActive	012.06	GCT	Planting materials including cereals and seeds in their natural state, dormant flower bulbs, corns roots and tubers and nursery stock, vegetable plants and live trees.	0
InActive	012.07	GCT	Fishing Apparatus	0
InActive	012.08	GCT	Fertilizers of subheadings 3101.00 to 3105.00 (excluding subheading 3102.10), herbicides, fungicides, plant growth regulators, nematocides, rodenticides, veterinary preparation and molluscides.	0
InActive	012.09	GCT	Insecticides of heading Tariff Heading No. 38.08 intended for exclusive use in agriculture.	0
InActive	013.01	GCT	List 4 drugs; all contraceptive devices and substances.	0
InActive	013.02	GCT	Orthopaedic Appliances, canes and crutches for the disabled, prescribed eye-glasses and contact lenses.	0
InActive	013.03	GCT	Invalid carriages.	0
InActive	013.05	GCT	Artificial breathing apparatus for individuals afflicted with respiratory disorder.	0
Active	013.08	GCT	Red Cross, St. John's Ambulance Brigade, University Hospital.	0
Active	014.01	GCT	Governor General	0
Active	014.02	GCT	Diplomatic & Intl organizations.	0
Active	015.01	GCT	Specified goods (unused) for export.	0
Active	015.02	GCT	Goods directly related to the production of bauxite and aluminum.	0
Active	015.03	GCT	Aircraft	0
Active	015.04	GCT	Export of goods and services.	0
Active	016.00	GCT	Government	0
InActive	017.00	GCT	Place of Worship	0
InActive	018.01	GCT	School Books	0
InActive	018.02	GCT	Schools and any other Educational Institution approv. by Ministry of Edu.	0
InActive	018.03	GCT	Stationery for Examination bodies.	0
Active	018.05	GCT	Goods and services acquired by U.W.I./Council of Legal Education, UTech, Northern Caribbean Univ.	0
InActive	018.06	GCT	Exercise books ex. Tariff Heading 4820.20	0
Active	018.08	GCT	Wooden pencils, pencil erasers, pencil sharpeners, rulers (up to 30 cm in length) and pocket notebooks (not including electronic notebooks).	0
InActive	019.01	GCT	Approved Sporting Goods	0
InActive	019.02	GCT	Parcels	0
InActive	019.03	GCT	Passenger baggage & Household effects.	0
Active	019.04	GCT	Specified re-imported goods	0

Status	FreeCode	Tax Id	Freecode Description	Rate
InActive	019.05	GCT	Currency etc. imported by BOJ	0
InActive	019.06	GCT	Specified imports by Postmaster Gen	0
Active	031.01	GCT	Travel Tickets for International Travel	0
Active	031.06	GCT	Raw foodstuff.	0
Active	031.07	GCT	Milk excluding flavoured milk, milk based products and milk substitute.	0
Active	031.08	GCT	Cornmeal and counter-flour; corn, soyameal, wheat.	0
Active	031.09	GCT	Corn beef.	0
Active	031.10	GCT	Pickled mackerel, herring, shad, dried salted fish.	0
Active	031.11	GCT	Canned sardines, herrings and mackerel.	0
Active	031.12	GCT	Infant Formula	0
Active	031.13	GCT	Breads, buns, bullas, biscuits and crackers (salted and unsalted).	0
Active	031.14	GCT	Rice	0
Active	031.15	GCT	Sugar (brown)	0
Active	031.17	GCT	Salt	0
Active	031.18	GCT	Eggs	0
Active	031.19	GCT	Patties	0
Active	031.20	GCT	Rolled Oats	0
Active	031.21	GCT	Baking Flour in bags of not less than 45.359 kg.	0
Active	031.22	GCT	Live Birds, Fish, Etc. for food.	0
Active	031.23	GCT	Unprocessed agricultural produce etc. supplied directly from farm gate.	0
Active	031.24	GCT	Motor Spirit, lubricating oil for Commercial fishing.	0
Active	031.26	GCT	Cooking Oil	0
Active	031.31	GCT	Syrup ex. Tariff 21.06	0
Active	031.32	GCT	Fish, cock and noodle soup, in aluminium sachets.	0
Active	031.42	GCT	School uniforms and school bags.	0
Active	031.45	GCT	Sanitary Towels & Tampons	0
Active	031.46	GCT	Food Produced Exclusively for school feeding programme.	0
Active	031.47	GCT	Solar water heaters specified under tariff heading no 8419.1910 and 8419.1920.	0
Active	031.48	GCT	Photosensitive semiconductor devices, including photovoltaic cells whether or not assembled in modules or made up into panels specified under tariff no. 8541.40.	0
Active	031.49	GCT	Animal feeds, except pet food.	0
Active	031.50	GCT	Machetes, 11.43 cm triangular cutlass files, grubbing hoes, farm forks, (that is to say four-pronged forks), which the Commissioner of Inland revenue is satisfied are purchased solely for the use in agricultural activities.	0
Active	031.51	GCT	Planting materials including cereals and seeds in their natural state, dormant flower bulbs, corns, roots and tubers and nursery stock, vegetable plants and live trees;	0
Active	031.52	GCT	Fishing Apparatus, gear, boats, engines (but not including outboard motors exceeding a maximum of 75 hp) equipment and parts thereof taken out of bond by commercial fishermen for use in the capture of fish for sale	0

Status	FreeCode	Tax Id	Freecode Description	Rate
Active	031.53	GCT	Fertilizers of subheadings 3101.00 to 3105.00 (excluding subheading 3102.10), herbicides, fungicides, plant growth regulators, nematocides, rodenticides, veterinary preparation and molluscides.	
Active	031.54	GCT	Insecticides of heading Tariff Heading No. 38.08 intended for use exclusively in agriculture.	0
Active	031.55	GCT	Drugs specified in the Fourth Schedule (List Four Drugs) to the Food and Drugs Regulations, 1975.	0
Active	031.56	GCT	Diagnostic reagents used for testing of dextrose in the blood and glucose, protein, ketones and pH in the urine.	0
Active	031.57	GCT	Contraceptive devices and substances.	0
Active	031.58	GCT	Surgical gloves, including disposable, sterile and those made of latex rubber.	0
Active	031.59	GCT	Disposable diapers for the incontinent.	0
Active	031.60	GCT	Orthopaedic Appliances, surgical belts, trusses, splints and other fracture appliances, artificial limbs, eyes, teeth and other artificial parts of the body, hearing aids, other appliances which are worn or carried or implanted in the body to compensate for any bodily defect or disability, canes and crutches for the handicapped, prescribed eye-glasses and contact lenses.	0
Active	031.61	GCT	Parts and accessories for any of the items specified in paragraph 60.	0
Active	031.62	GCT	Invalid carriages.	0
Active	031.63	GCT	Medical and surgical prostheses including surgical implants and ileostomy, colostomy and similar abilities designed to be worn by human beings.	0
Active	031.64	GCT	Artificial breathing apparatus for individuals afflicted with respiratory disorder.	0
Active	031.65	GCT	Printed matter (not including newspapers), articles and materials classified under tariff Heading Nos. 49.01 to 49.05.	0
Active	031.66	GCT	Stationery and educational apparatus and equipment (including those used for games and physical training) for use by an approved educational institution intended solely for educational purposes.	0
Active	031.67	GCT	Stationary (including writing paper), printed forms, envelopes and blotting paper for Examination Bodies.	0
Active	031.68	GCT	Exercise books ex. Tariff Heading 4820.20.	0
Active	031.69	GCT	Goods (excluding motor vehicles, alcoholic beverage, motor spirit, kerosene and diesel oils and goods purchased for fund-raising events) purchased by an approved educational institution.	0
Active	031.70	GCT	Sports equipment for use in an approved educational institution or for use by an approved sporting organization.	0
Active	031.71	GCT	Parcels whose value (exclusive of customs duty and postage) does not exceed such amount as is applicable for customs duty purposes.	0
Active	031.72	GCT	Passengers' baggage and household effects as described in and to the extent allowed under Items No. 6 and 6A of Part I of the second schedule to the Customs Tariff (Revision) Resolution 1972.	0
Active	031.73	GCT	Gold bullion, coins and bank and currency notes imported by the Bank of Jamaica.	0
Active	031.74	GCT	Unused postage, revenue and other stamps, postmarks and franked envelopes, letters and cards imported by the Postmaster-General.	0

Status	FreeCode	Tax Id	Freecode Description	Rate
Active	031.75	GCT	Goods (except motor vehicles) acquired or on behalf of the Boy Scouts or Girls guides Association of Jamaica.	0
Active	031.76	GCT	Goods of non-consumable nature which the head of a denomination for which the goods are assigned declares in writing will be used only for the purpose intended and which the Commissioner of Inland Revenue is satisfied are purchased or imported solely for furnishing or decorating place of worship or as vestments for use during public worship.	0
Active	031.77	GCT	Altar bread, matzos unleavened bread, communion wafers and altar wine purchased or imported for the purpose of administering the sacraments which the head of the denomination for which they are intended declares in writing will be used for the purpose intended.	0
Active	031.78	GCT	Candles, myrrh and frankincense which the Commissioner of Inland revenue is satisfied are purchased or imported solely for use in places of divine worship.	0
Active	031.79	GCT	Offertory envelopes purchased or imported by or on behalf of a religious denomination.	0
InActive	031.99	GCT	Automatic Data Processing Machines 84.71 and parts and Accessories 8473.30.	0
Active	041.01	GCT	Buses, 25 seats and over, approved for specific purposes.	0
Active	041.02	GCT	Trucks, approved for use in agricultural activities.	0
Active	041.03	GCT	Vehicles knocked down, imported by authorised manufacturers.	0.125
Active	041.04	GCT	Motor tractors, motor chassis, and trailers, approved for use in connection with agricultural activities.	0
Active	041.05	GCT	Buses, 15 -24 seats, approved for specified purposes.	0
Active	111.01	GCT	Motor Vehicles for specified category of persons.	0
Active	111.03	GCT	Electric motor vehicles.	0
Active	111.04	GCT	Motor cars/SUVs below 2,000 cc (2, 200 for diesel) licensed under the Tourist Board Act (U-Drive) reported before November 1, 2011.	0
Active	128.09	GCT	Standard rate of GCT (17.5% PAYABLE).	0.175
Active	190.00	GCT	Calculated on reduced value.	0
Active	910.00	GCT	Hotel Incentives.	0
Active	920.00	GCT	Bauxite and alumina industry.	0
Active	940.00	GCT	Motion picture industry.	0
Active	950.00	GCT	Remission by Minister.	0
Active	950.05	GCT	05% GCT Payable	0.05
Active	950.08	GCT	8% GCT Payable	0.08
Active	950.09	GCT	9.09% GCT payable	0.0909
Active	950.10	GCT	10% GCT Payable	0.1
Active	950.11	GCT	11.36% GCT Payable	0.1136
Active	950.14	GCT	14% GCT Payable	0.14
Active	950.15	GCT	15% GCT Payable	0.15
Active	950.16	GCT	Special Waiver of GCT for Vehicle 50% (15.384% Equivalent).	0.15384
Active	950.18	GCT	Motor cars using hybrid technology.	0.165
Active	950.19	GCT	8-10 SEATER CONCESSION (JUTA).	0.1923

Status	FreeCode	Tax Id	Freecode Description	Rate
Active	950.20	GCT	20% GCT Payable	0.2
Active	950.25	GCT	25% GCT Payable	0.25
Active	950.29	GCT	29% GCT Payable	0.2885
Active	950.30	GCT	30% GCT Payable	0.3
Active	950.35	GCT	35% GCT Payable	0.35
Active	950.40	GCT	40% GCT Payable	0.4
Active	950.41	GCT	41% GCT payable	0.41
Active	950.42	GCT	42% Payable	0.42
Active	950.45	GCT	45% GCT Payable	0.45
Active	950.49	GCT	Trucks/pick-ups using hybrid technology.	0.49
Active	950.50	GCT	50% GCT Payable	0.5
Active	950.52	GCT	67% Aggregate	0.5181817
Active	950.55	GCT	55% GCT Payable	0.55
Active	950.58	GCT	57.69% GCT Payable	0.5769
Active	950.60	GCT	60% GCT Payable	0.6
Active	950.65	GCT	65% GCT Payable	0.65
Active	950.70	GCT	70% GCT Payable	0.7
Active	950.75	GCT	75% GCT Payable	0.75
Active	950.76	GCT	76.36% GCT Payable	0.76363
Active	950.80	GCT	80% GCT Payable	0.8
Active	950.85	GCT	85% GCT Payable	0.85
Active	950.86	GCT	85.45% GCT Payable	0.854545
Active	950.90	GCT	90% GCT Payable	0.9
Active	950.95	GCT	95% GCT Payable	0.95
Active	951.00	GCT	General Waiver	0
Active	952.00	GCT	Remission/Waiver under own act.	0
Active	952.10	GCT	ICC CRICKET WORLD CUP WEST INDIES 2007 ACT	0
Active	960.00	GCT	UWI	0
Active	970.00	GCT	Public Transport (corp. area).	0
Active	980.00	GCT	Export Industries (EIEA).	0
Active	981.00	GCT	Single Entity Free Zone.	0
Active	990.00	GCT	Deferred under GCT Act	0
Active	991.00	GCT	Encouragement (other).	0
InActive	992.00	GCT	Modernization program.	0
Active	993.00	GCT	Jnip 807 programme.	0
Active	995.00	GCT	Research And Development	0
Active	996.00	GCT	DeNovo that previously attracted no GCT.	0
Active	997.00	GCT	Goods cleared on previous entry procedure.	0.165
Active	999.99	GCT	Paragraph 10 of Schedule to Section 19 of Customs Act.	0

Status	FreeCode	Tax Id	Freecode Description	Rate
Active	193.01	SCF	Commodities imported in connection with 807 or Govt. Incentive Prog.	0
Active	193.02	SCF	Commodities which are gifts to govt. prog. relating to health & welfare.	0
Active	193.03	SCF	Commodities imported in connection with intl. agreements/protocols/both.	0
Active	193.04	SCF	Commodities which are household effects.	0
Active	193.05	SCF	Commodities which are raw materials including packaging materials and capital goods imported for use in the manufacturing process.	0
Active	193.93	SCF	Waiver of SCF payable.	0
Active	193.94	SCF	Paragraph 10 of Schedule to Section 19 of Customs Act.	0
Active	193.95	SCF	Approved goods imported by licensed in-bond operators for export sales.	0
Active	950.00	SCF	Waiver of SCF payable.	0
Active	952.10	SCF	ICC CRICKET WORLD CUP WEST INDIES 2007 ACT	0
Active	014.01	SCTA08	Governor general.	0
Active	014.02	SCTA08	Diplomatic and Intl Organization.	0
Active	015.03	SCTA08	Aircraft.	0
Active	015.04	SCTA08	Export of goods services.	0
Active	016.00	SCTA08	Government.	0
Active	018.00	SCTA08	Coverings or packages.	0
Active	019.04	SCTA08	Specified re-imported goods.	0
Active	041.01	SCTA08	Buses, 25 seats and over, approved for specific purposes.	0
Active	041.02	SCTA08	Trucks, approved for use in agricultural activities.	0.0909
Active	041.05	SCTA08	Buses, 15 -24 seats, approved for specified purposes.	0.2272
Active	111.01	SCTA08	Motor Vehicles for specified category of persons.	0
Active	920.00	SCTA08	Bauxite and Alumina Industries.	0
Active	940.00	SCTA08	Motion Picture Industries.	0
Active	950.00	SCTA08	Remission by Minister.	0
Active	950.02	SCTA08	2% SCTA Payable	0.02
Active	950.05	SCTA08	5% SCTA Payable	0.05
Active	950.08	SCTA08	8.5% SCTA Payable	0.085
Active	950.09	SCTA08	9.09% SCTA Payable	0.0909
Active	950.10	SCTA08	10% SCTA Payable	0.1
Active	950.15	SCTA08	15% SCTA Payable	0.15
Active	950.20	SCTA08	20% SCTA Payable	0.2
Active	950.25	SCTA08	25% SCTA Payable	0.25
Active	950.30	SCTA08	30% SCTA Payable	0.3
Active	950.31	SCTA 08	31% SCTA payable	0.31
Active	950.35	SCTA08	35% SCTA Payable	0.35
Active	950.40	SCTA08	40% SCTA Payable	0.4

Status	FreeCode	Tax Id	Freecode Description	Rate
Active	950.45	SCTA08	45% SCTA Payable	0.45
Active	950.50	SCTA08	50% SCTA Payable	0.5
Active	950.55	SCTA08	55% SCTA Payable	0.55
Active	950.60	SCTA08	60% SCTA Payable	0.6
Active	950.65	SCTA08	65% SCTA Payable	0.65
Active	950.70	SCTA08	70% SCTA Payable	0.7
Active	950.75	SCTA08	75% SCTA Payable	0.75
Active	950.80	SCTA08	80% SCTA Payable	0.8
Active	950.85	SCTA08	85% SCTA Payable	0.85
Active	950.90	SCTA08	90% SCTA Payable	0.9
Active	950.95	SCTA08	95% SCTA Payable	0.95
Active	952.10	SCTA08	ICC CRICKET WORLD CUP WEST INDIES 2007 ACT	0
Active	960.00	SCTA08	UWI	0
Active	970.00	SCTA08	Public Transport (corp. area).	0
Active	981.00	SCTA08	Single Entity Free Zone	0
Active	990.00	SCTA08	Deferred under GCT Act	0
Active	104.00	SCTA08	104% SCTA Payable	1.04
Active	191.00	SCTA08	0%SCTA Payable	0
Active	191.02	SCTA08	2% SCTA Payable	0.02
Active	191.05	SCTA08	5% SCTA Payable	0.05
Active	191.09	SCTA08	8.5% SCTA Payable	0.085
Active	191.15	SCTA08	15% SCTA Payable	0.15
Active	191.20	SCTA08	20% SCTA Payable	0.20
Active	191.25	SCTA08	25% SCTA Payable	0.25
Active	191.31	SCTA08	31% SCTA Payable	0.31
Active	191.35	SCTA08	35% SCTA Payable	0.35
Active	191.42	SCTA08	42% SCTA Payable	0.42
Active	191.75	SCTA08	75% SCTA Payable	0.75
Active	191.82	SCTA08	82% SCTA Payable	0.82
Active	994.00	SCTA08	Warehousing - Duty Free Shops	89
Active	952.10	SCTF028	ICC CRICKET WORLD CUP WEST INDIES 2007 ACT	0
Active	014.01	SCTF28	Governor General	0
Active	014.02	SCTF28	Diplomatic & Intl Organization	0
Active	015.03	SCTF28	Aircraft	0
Active	015.04	SCTF28	Export of goods services.	0
Active	016.00	SCTF28	Government	0
Active	950.00	SCTF28	Remission by Minister	0
Active	981.00	SCTF28	Single Entity Free Zone	0
Active	990.00	SCTF28	Deferred under GCT Act	0

Status	FreeCode	Tax Id	Freecode Description	Rate
Active	014.01	SCTS18	Governor General	0
Active	014.02	SCTS18	Diplomatic and Intl Organization	0
Active	015.03	SCTS18	Aircraft	0
Active	015.04	SCTS18	Export of goods services	0
Active	016.00	SCTS18	Government	0
Active	920.00	SCTS18	Bauxite and Alumina Industries.	0
Active	950.00	SCTS18	Remission by Minister	0
Active	950.05	SCTS18	5% SCTA Payable	0.05
Active	950.10	SCTS18	10% SCTA Payable	0.10'
Active	950.15	SCTS18	15% SCTA Payable	0.15
Active	950.20	SCTS18	20% SCTA Payable	0.20'
Active	950.25	SCTS18	25% SCTA Payable	0.25
Active	950.30	SCTS18	30% SCTA Payable	0.30'
Active	950.35	SCTS18	35% SCTA Payable	0.35
Active	950.40	SCTS18	40% SCTA Payable	0.40'
Active	950.45	SCTS18	45% SCTA Payable	0.45
Active	950.50	SCTS18	50% SCTA Payable	0.50'
Active	950.55	SCTS18	55% SCTA Payable	0.55
Active	950.60	SCTS18	60% SCTA Payable	0.60'
Active	950.65	SCTS18	65% SCTA Payable	0.65
Active	950.70	SCTS18	70% SCTA Payable	0.70'
Active	950.75	SCTS18	75% SCTA Payable	0.75
Active	950.80	SCTS18	80% SCTA Payable	0.80'
Active	950.85	SCTS18	85% SCTA Payable	0.85
Active	950.90	SCTS18	90% SCTA Payable	0.90'
Active	950.95	SCTS18	95% SCTA Payable	0.95
Active	952.10	SCTS18	ICC CRICKET WORLD CUP WEST INDIES 2007 ACT	0
Active	981.00	SCTS18	Single Entity Freezone	0
Active	990.00	SCTS18	Deferred under GCT Act	0
Active	994.00	SCTS18	Warehousing - Duty Free Shops	0

APPENDIX 3 - Draft Standard Operating Procedures

Draft Procedure for Petroleum Product Discharge and Bunkering

Drafted: Name and date

Reviewed: Name and date

Approved: Name and date

Purpose

The purpose of this procedure is to ensure the effective and efficient management of the processes within the Petroleum Monitoring Unit with a view to maintaining and continually improving the standards of performance in managing tax administration in the petroleum sector and the level of service delivery.

Scope of this Procedure

This procedure covers the following processes that meet the objectives for which the Petroleum Monitoring Unit was established.

- To be a focal point for monitoring the importation, back loading and exportation of petroleum product.
- To provide coordinated administrative supervision of collection of revenue from petroleum imports.
- To provide reliable data and policy guideline petroleum on the petroleum industry from a revenue and national strategy view point.
- To facilitate the exchange of information between petroleum stake holders, TAJ and JCD.
- To create mutual understanding among the stake holders, Ministry of Finance, Ministry of Energy and TAJ.
- To facilitate refund arising from duty paid export, to privileged organizations.

Cross References

The petroleum imports monitoring procedure is cross referenced to the following:

- The Customs Act, 1941;
- The Customs Regulations, 1955;
- The departmental Instruction for the Guidance of Officers of Customs (IGOC), 1996;
- The Petroleum Act;
- Etc., etc.

Responsibility for Application

The manager, Petroleum Monitoring Unit, shall be the owner of these quality procedures. Any amendments, alterations or overhaul of these procedures shall have the express approval of the Commissioner, JCD. The instructions contained herein shall be used as the administrative procedure in handling the importation of petroleum products and in bunkering.

1. Imported Finished Product and Crude Oil

Application to Discharge Petroleum Products

This is an application letter release (Provisional entry) given by an Importer of the intention to discharge petroleum from a vessel to their facility. Once the application letter is received by Customs, it is registered, approved and given back to Importer while a copy is retained in the Customs office.

The application letter will give the following details:

- a. The name of Shipping Agent;
- b. Type of product to be discharged;
- c. The name of the ship/vessel that is to discharge;
- d. Quantity on board the vessel;
- e. The CIF value of the goods;
- f. Date and time the vessel is expected to dock;
- g. The berth or jetty the vessel is expected to dock.

1. Ullaging of the Vessel

The vessel is dipped to establish the quantities onboard before it starts discharging to nominated shore tanks. The Chief Officer of the vessel issues an Ullage report showing volume and weight.

The process is supervised by:

- a. Customs Officer;
- b. Independent surveyor or OIC Representative;
- c. Vessel Chief Officer.

The exercise is repeated after vessel discharge to establish the quantities remaining on board.

1.3 Closure of Shore Tanks Inlet/Outlet Valves

The nominated shore tanks at receiving terminal have valves which are managed by the Terminal Operator. The valve on tank outlet side is shut and sealed while the inlet is left open for product to be received.

1.4 Sealing of the Valves at the Jetty/Dock

The seal on the inlet valve at the jetty discharge line to terminal is broken after the application letter has been approved and processed to allow the vessel to discharge. The inlet valve on discharge line on the jetty is sealed by Customs after completion of discharge. A register indicating the seal positions and serial number is kept by Customs.

1.5 Receipt of Product

Receipt of product shall be supervised by Customs, Oil Importing Company and/or a nominated Surveyor. In the absence of a surveyor, the representative of the Oil Importing Company has to be present.

After the product has been received the inlet valve on shore tank is closed and the product left to settle for Three (3) Hours for determination of Quantity discharged.

Quantity Establishment

After the quantity has been determined, an outturn (discharge) report is issued by Surveyor or OIC shall show:

- a. The vessel Name;
- b. Tank number receiving product;
- c. Oil Importing Company;
- d. Quantity discharged;
- e. Discharge date;
- f. Bill of lading Quantity;
- g. The difference between Bill of lading quantity and the actual quantity received into tank.

Processing Entries

Once the outturn report is issued, the Broker appointed by OIC registers a C87 entry within 21 days from date of Importation. The Entry is lodged electronically through JCD Declaration System. The requisite documents shall be attached to entry. The entry shall be approved by Customs officer once he/she is satisfied that all taxes have been paid against the Outturn report and requisite documents attached to the entries are accurate.

Reconciliation

Worksheets are maintained at discharge point for reconciliation of the following:

- a. Volume received against volume declared;
- b. Volume received against the taxes paid;
- c. Volume received against Bill of Lading figures.

2. BUNKERING AND BACK-LOADING

Introduction

Bunkering is the process of supplying petroleum (Automotive Diesel or Marine Diesel Oil or Fuel Oil) to ships for propelling and auxiliary machinery. Back-loading is the process of transferring

petroleum products from shore tank to a barge or a vessel. Bunker products are transferred from designated oil installations at designated jetties through pipeline into barges. From the Customs point of view bunkering is the supply of petroleum product to foreign going vessel.

Application to Back-load Petroleum Products

The requisite documents are lodged with customs quoting the weight and volume of the product to be back-loaded to the barge. The documents are processed and endorsed by the Customs Officer before back loading is allowed to proceed.

Initialization of Shore Tank and Barge

The shore tank to deliver the product to the vessel shall be dipped to ascertain the volume back-loading exercise commences.

The process shall be supervised by:

- a. Customs officer;
- b. Independent surveyor or OIC Representative.

After taking dips of the shore tanks, the barge is also dipped to establish on board quantities before back-loading.

The process shall be supervised by:

- a. Customs Officer;
- b. Independent surveyor or OIC Representative;
- c. Master or Chief Officer of barge.

Opening of Shore Tanks Inlet/Outlet Valves

The nominated shore tanks outlet valve at delivery terminal shall be open to pump or gravitate the product to the barge. The valve on tank inlet shall be shut and sealed while the outlet is left open for product to be pumped to the barge.

Bunker Supply by Barge to Foreign Going Vessel

1. The barge operator supplying foreign registered vessels requests Customs approval to bunker through an Application letter attached with copy of vessel nomination.
2. Bunkering commences under the supervision Customs officer having quantified the ullages of the two vessels.
 - a. Master/chief officer of the receiving vessel endorses on the application request confirming the quantities received from the bunker supply barge.

Reconciliation

- i. Quantity back-loaded against quantity received by the barge.
- ii. Quantity supplied by the barge against quantity received by the foreign going vessel.

APPENDIX 4 - Jamaica Customs Department Procedure for the Clearance of Petroleum Imports Montego-Bay January 6, 2012

Petroleum Vessels offload their product at Montego-Freeport. The pier has three (3) tanks that are located above the ground. These tanks facilitate the storage of the following products: Unleaded Gasoline 87, Unleaded Gasoline 90, Gas Oil and Aircraft Fuel. The usual Importers of these products are Shell Company Limited, Total Limited and Chevron Limited.

The procedures in clearing the oil vessels are as follows:

- Prior to the arrival of a vessel, the Importer's Agent indicates the individual tanks into which fuel will be off-loaded.
- These receiving/ holding tanks onshore are then sealed by the Proper Officer of Customs.
- The Proper Officer and the Agent observe the dipping of the storage tanks and both record the measurements obtained. (Opening dip ascertains the volume of fuel in tank before imported fuel is added to tank.)
- Upon the docking of the vessel, after pratique has been granted (by the Quarantine Officer), the proper officer, along with the ship's agent boards the vessel.
- The proper officer collects all the required clearance documents and affixes seals to bonded stores areas.
- If all is in order, the beginning of operations (pumping) is authorized.
- The proper officer monitors and supervises the discharge of the cargo. The Proper Officer is present for the duration of the discharge of fuel.
- There is intermittent dipping and verification of measurements as requested by the importer/agent.
- At the end of discharge clearance documents are issued for the vessel.
- The proper officer observes and records the closing dips (this will ensure the actual amount of fuel that has been imported). One oil ship may bring fuel for more than one Importer, and the total amount off-loaded is stored in the same tanks. The fuel is not stored individually for each Importer. The differentiation is made upon presentation of the productivity report by the Agent.
- The productivity report shows the total quantity fuel imported by each entity that had fuel on the vessel. The amounts for each entity as per productivity report, when totaled, must equal the total amount that was off-loaded from the vessel.
- The proper officer also breaks the seals that were affixed to the holding tanks.

- The release of the cargo is granted based on the customs document presented (Pre-release/Letter Clearance). Letter Clearances are presented for each Importer who has product on the vessel.
- The productivity report (prepared by the importer's Agent) is verified and signed by a Customs Supervisor.
- The productivity report is used by the Customs Broker to prepare the final entry (C87), along with the Importer's commercial invoice showing the price paid for the quantity imported by said Importer.
- The Invoice Inspector examines the Import entry, verifying the quantities as per productivity report and ensures that the relevant duties and taxes are duly collected.
- It is not mandatory for a supervisor to counter-sign entries examined by Invoice Inspectors. Perhaps it could be mandatory for oil/fuel entries to be vetted for accuracy of duty calculation by the Invoice Supervisor.

APPENDIX 5 - Discharge Volume Report per vessel building up to Daily, Weekly and Monthly Reports

[illegible]

APPENDIX 6 - Monthly Consolidated Volume/Vessel Discharge

[illegible]

APPENDIX 7 – The Petroleum Act

PETROLEUM

1

THE PETROLEUM ACT ARRANGEMENT OF SECTIONS

PART I. Preliminary

1. Short title.
2. Interpretation.

PART II. Vesting of Petroleum

3. All petroleum in its natural state in strata vested in the Crown.
4. Control of certain operations relating to petroleum.

PART III. The Petroleum Corporation of Jamaica

5. Establishment of the Petroleum Corporation of Jamaica.
6. Functions of the Corporation.
7. Policy directions and guidelines.
8. Borrowing powers.
9. Advances, grants and guarantee of borrowings.
10. Repayment of, and interest on, advances and sums issued to meet guarantees.
11. Securities.
12. Reserve fund.
13. Accounts and audit.
14. Annual report and estimates.
15. *[Deleted by Act 28 of 2003, S. 2.]*
16. *[Deleted by Act 28 of 2003, S. 2.]*
17. Power to appoint secretary and other staff and agents.

PART IIIA. The Petrocaribe Development Fund

- 17A. Interpretation.
- 17B. Establishment of the Petrocaribe Development Fund.
- 17C. Functions of the Fund.

[The inclusion of this page is authorized by L.N. 80A/2008]

PETROLEUM

- 17D. Establishment of Board of Management.
- 17E. Policy directions.
- 17F. Payment into Fund.
- 17G. Issuance of Promissory Notes.
- 17H. Application of revenue.
- 17I. Power to invest moneys.
- 17J. Accounts and audit.
- 17K. Annual report.
- 17L. Exemption from income tax.

PART IV. Miscellaneous

- 18. Specified contractors.
- 19. General rights to enter land and carry on operations thereon.
- 20. Notice to owner and occupier of land, and security for compensation.
- 21. Compensation to owner and occupier of land.
- 22. *[Deleted by Act 36 of 1995, Sch.]*
- 23. *[Deleted by Act 36 of 1995, Sch.]*
- 24. *[Deleted by Act 36 of 1995, Sch.]*
- 25. *[Deleted by Act 36 of 1995, Sch.]*
- 26. Regulations.
- 27. Offences.
- 27A. Seizure of petroleum prior to conviction.
- 27B. Additional penalties.
- 28. Extension of laws of Jamaica to certain areas and vessels.

SCHEDULES

[The inclusion of this page is authorized by L.N. 80A/2008]

THE PETROLEUM ACT

[15th June, 1979.]

PART I. *Preliminary*

Acts
12 of 1979,
12 of 1985
Sch.,
11 of 1990,
16 of 1991
S. 64,
33 of 1991
S. 22,
36 of 1995
Sch.,
28 of 2003
S. 2,
16 of 2006.

Short title.

Interpretation.

1. This Act may be cited as the Petroleum Act.

2. In this Act—

“chairman” means the chairman of the Corporation;

“contractor” means any person, firm or entity with whom the Corporation has entered into any agreement for the exploration and development of petroleum resources and the refining, processing, marketing, trading, exporting or importing of petroleum or petroleum products;

“the Corporation” means the Petroleum Corporation of Jamaica established under this Act;

“debenture” includes debenture stock;

“development” means the drilling and completion of wells, the production of petroleum, and the carrying on of activities related thereto, after the discovery of petroleum;

“energy resource” means petroleum, oilshale, tarsand, coal of any form, peat and any other hydrocarbon resource, material or substance containing or capable of creating energy in any form;

“exploration” means search for petroleum by geological and geophysical methods, the drilling of a test well or wells to discover petroleum and the carrying on of other activities related to those activities;

“functions” includes powers and duties;

[The inclusion of this page is authorized by L.N. 80A/2008]

“oil” means crude petroleum oil and other liquid hydrocarbons, including liquid hydrocarbons known as distillate or condensate recovered or extracted from gas;

“passageway” means any highway, road, street, foot-path, right of way, easement, or any installation of any railway, tramway, wireline, conveyor belt, cable way, chute, pipe, sewer, drain, tunnel, channel or duct;

“petroleum” means oil, natural gas or any other form of hydrocarbon substance but does not include coal or bituminous shale or any other stratified deposit from which oil can be extracted by destructive distillation;

“petroleum product” means any product derived from petroleum by any refining process;

“specified contractor” means any contractor declared under section 19 to be a specified contractor.

PART II. *Vesting of Petroleum*

All petroleum in its natural state in strata vested in the Crown.
33/1991
S. 22.

3. There is hereby vested in the Crown all petroleum existing in its natural state in strata in Jamaica including the bed and subsoil of its territorial sea, its continental shelf and the exclusive economic zone.

Control of certain operations relating to petroleum.
33/1991
S. 22.

4.—(1) Subject to subsection (2), no person shall, except in accordance with the provisions of this Act and any regulations made thereunder—

- (a) explore or develop petroleum resources; or
- (b) acquire any right, title, interest or estate in any petroleum,

which is vested by section 3 in the Crown.

[The inclusion of this page is authorized by L.N. 80/2008]

(2) Any exploration or development of petroleum resources or the acquisition of any right, title, interest or estate in any petroleum in the exclusive economic zone shall be subject to the provisions of the Exclusive Economic Zone Act or any order made under section 11 of that Act.

33/1991
S. 22.

PART III. *The Petroleum Corporation of Jamaica*

5.—(1) There shall be established for the purposes of this Act a body to be called the Petroleum Corporation of Jamaica which shall be a body corporate to which section 28 of the Interpretation Act shall apply.

Establish-
ment of the
Petroleum
Corporation
of Jamaica.

(2) The provisions of the Schedule shall have effect as to the constitution of the Corporation and otherwise in relation thereto.

Schedule.

6.—(1) Subject to the provisions of subsections (2) and (3), the Corporation shall have the exclusive right to explore and develop the resources of petroleum which are vested by section 3 in the Crown.

Functions
of the
Corporation.

(2) Subject to the provisions of this Act the Corporation may, for the purposes of performing any of its functions under this Act, do anything and enter into any transaction which, in the opinion of the Corporation, is necessary to ensure the proper performance of its functions.

(3) In particular, and without prejudice to the generality of the provisions of subsections (1) and (2), the Corporation may—

- (a) either alone or in association with contractors, explore, develop and manage petroleum resources;

[The inclusion of this page is authorized by L.N. 90/1993]

- (b) enter into agreements or arrangements providing for the participation, assistance or co-operation of contractors in connection with the exploration, development or management of petroleum resources;
- (c) either alone or in association with contractors, acquire, construct, maintain, manage or operate any refining or processing facilities, marketing facilities or outlets of any kind and type, pipelines, tankers, trucks and other facilities for the transportation of petroleum and petroleum products, and any other facilities related to the processing, refining, storage, exchange, sale or distribution of petroleum and petroleum products;
- (d) either alone or in association with contractors, buy, sell, store, trade, barter, exchange, import and export petroleum and petroleum products; and
- (e) with the approval of the Minister, form subsidiary corporations under the Companies Act to carry on any of the activities which the Corporation has power under this Act to carry on.

(4) The term of any agreement or arrangement made pursuant to paragraph (b) of subsection (3) shall not exceed twenty-five years, but any such agreement or arrangement may be renewed for further terms, not exceeding twenty-five years in the case of each renewal.

(5) The Corporation shall—

- (a) promote an orderly and rational development of the petroleum resources of Jamaica;
- (b) endeavour to ensure that Jamaica receives the greatest benefits obtainable from the exploitation of its petroleum resources;

[The inclusion of this page is authorized by L.N. 90/1993]

- (c) promote the training of Jamaican personnel in all aspects of the exploration, development and management of petroleum resources and of the processing, refining, storage, sale and distribution of petroleum and petroleum products;
- (d) promote the development in Jamaica of technology relating to the exploration, development and management of, petroleum resources and to the processing, refining, storage and distribution of petroleum and petroleum products;
- (e) endeavour to ensure the effective transfer to Jamaica of technology relating to the matters specified in paragraph (d);
- (f) ensure that operations in relation to the exploration and development of petroleum resources, and any other operations ancillary to those operations, are conducted in such a manner as to prevent and minimize accidents and to prevent adverse effects on the environment and other resources of Jamaica;
- (g) advise the Minister on all matters in respect of which he seeks from the Corporation advice in relation to exploration, development and management of petroleum resources and to the processing, refining, storage, marketing and importation of petroleum and petroleum products.

(6) The Minister may by order, which shall be subject to affirmative resolution, extend the functions of the Corporation to include such energy resources other than petroleum, as the order shall specify; and such order may contain such consequential or ancillary provisions as the Minister may consider necessary or desirable.

7.—(1) The Minister may, after consultation with the chairman, give to the Corporation directions of a general character as to the policy to be followed in the performance

Policy
directions
and
guidelines.

[The inclusion of this page is authorized by L.N. 57/1980]

of any of its functions in relation to matters appearing to him to concern the public interest and the Corporation shall give effect to any such directions.

(2) The Minister may from time to time issue for use by the Corporation, guidelines pertaining to substantive matters to be included in the agreements or arrangements described in paragraph (b) of subsection (3) of section 6.

Borrowing
powers.

8.—(1) Subject to the provisions of subsection (2), the Corporation may borrow sums required by it for meeting any of its obligations or discharging any of its functions.

(2) The power of the Corporation to borrow in excess of such limits as the Minister responsible for finance may from time to time fix, shall be exercisable only with the approval of the Minister after consultation with the Minister responsible for finance as to the amount, source of borrowing and the terms on which the borrowing may be effected, and an approval given in any respect for the purposes of this subsection may be either general or limited to a particular borrowing or otherwise, and may be either unconditional or subject to conditions.

Advances,
grants
and guar-
antee of
borrowing.

9.—(1) The Minister may from time to time make advances and grants to the Corporation out of moneys provided by Parliament for the purpose.

(2) With the approval of the House of Representatives the Minister responsible for finance may guarantee, in such manner and on such conditions as he thinks fit, the repayment of the principal and the payment of interest on any authorized borrowings of the Corporation made otherwise than by way of advance under subsection (1).

(3) Where the Minister responsible for finance is satisfied that there has been default in the repayment of any principal moneys or the payment of interest guaranteed under the provisions of this section he shall direct the re-

[The inclusion of this page is authorized by L.N. 57/1980]

payment or, as the case may be, the payment, out of the Consolidated Fund of the amount in respect of which there has been such default and any such repayment or payment shall be a charge on the Consolidated Fund.

10. The Corporation shall make to the Accountant-General, at such times and in such manner as the Minister may direct, payments of such amounts as may be so directed in or towards repayment of advances made to the Corporation under subsection (1) of section 9 and of any sums issued in fulfilment of any guarantee given under that section, and payments of interests on any sum outstanding for the time being in respect of such advances and of any sums so issued at such rate as the Minister may direct, and different rates of interest may be directed as respects different advances or sums and as respects interest for different periods.

Repayment of, and interest on, advances and sums issued to meet guarantees.

11. The Corporation, with the approval of the Minister and the Minister responsible for finance—

Securities.

- (a) may create and issue stock including debentures and bonds, for the purpose of exercising its borrowing powers under section 8;
- (b) shall establish a sinking fund for the redemption of debentures so created;
- (c) may suspend sinking fund contributions for such period or periods of time and subject to such conditions as may be approved.

12.—(1) The Corporation shall establish and maintain a reserve fund to meet contingencies and for such other purposes as it may think fit.

Reserve fund.

(2) The management of the reserve fund, the sums to be carried from time to time to the credit thereof, the charges to be made against it and any other application of the moneys comprised therein shall be as the Corporation may determine.

[The inclusion of this page is authorized by L.N. 80A/2008]

Accounts
and audit.

13.—(1) The Corporation shall keep proper accounts and other records in relation to its business and shall prepare annually a statement of accounts in a form satisfactory to the Minister, being a form which conforms with established accounting principles.

(2) The accounts of the Corporation shall be audited annually by an auditor or auditors appointed annually by the Corporation and approved by the Minister.

(3) The Auditor-General shall be entitled, on the general directions of the Minister, at all reasonable times to examine the accounts and other records in relation to the business of the Corporation.

Annual
reports and
estimates.
11/1990
S. 2.

14.—(1) The Corporation shall, in each year—

(a) on or before the 15th day of June, submit to the Minister a report of its activities during the twelve months ending on the 31st day of March in that year, including a statement of its accounts audited in accordance with the provisions of section 13;

(b) on or before the 15th day of January, submit to the Minister for his approval its estimates of revenue and expenditure for the financial year commencing on the 1st day of April of that year.

(2) The Minister shall cause a copy of the report together with the annual statement of accounts and the auditor's report thereon and on the accounts to be laid on the Tables of the House of Representatives and of the Senate and to be published in the *Gazette*.

15. [*Deleted by Act 28 of 2003, S. 2*]

16. [*Deleted by Act 28 of 2003, S. 2*]

[The inclusion of this page is authorized by L.N. 80A/2008]

17.—(1) The Corporation may appoint and employ, at such remuneration and on such terms and conditions as it thinks fit, a chief executive officer, a secretary and such other officers, agents and servants as it thinks necessary for the proper performance of its functions.

Power to appoint a chief executive officer, secretary and other staff and agents.

(2) The Governor-General may, subject to such conditions as he may impose, approve of the appointment of any public officer in the service of the Government to any office with the Corporation, and any public officer so appointed shall, in relation to pension, gratuity or other allowance, and in relation to other rights as a public officer, be treated as continuing in the service of the Government.

PART IIIA. *The Petrocaribe Development Fund*

16/2006
S. 2.

17A. In this Part—

Interpretation.

“Board” means the Board of Management of the Fund, established under section 17D;

“Fund” means the Petrocaribe Development Fund established under section 17B;

“Minister” unless the context otherwise requires means the Minister responsible for finance;

“PDVSA” means Petróleos de Venezuela S.A., the entity in Venezuela that supplies oil and petroleum products to Jamaica under the Petrocaribe Agreement;

“Petrocaribe Agreement” means the Energy Cooperation Agreement Petrocaribe between the Government of the Bolivarian Republic of Venezuela and the Government of Jamaica signed in Montego Bay, Jamaica on August 23, 2005 and any agreement in succession thereto.

17B.—(1) There is hereby established for the purposes of this Part, a body to be known as the Petrocaribe Development Fund which shall be a body corporate to which section 28 of the Interpretation Act shall apply.

Establishment of the Petrocaribe Development Fund.

[The inclusion of this page is authorized by L.N. 80A/2008]

Second
Schedule.

(2) The provisions of the Second Schedule shall have effect as to the constitution of the Fund and otherwise in relation thereto.

Functions of
the Fund.

17C. The Fund shall perform the functions of—

- (a) receiving—
 - (i) loan proceeds accruing to Jamaica under the Petrocaribe Agreement;
 - (ii) loan repayments from borrowers from the Fund; and
 - (iii) other proceeds which might accrue from the investments of the Fund;
- (b) financing projects and programmes in accordance with section 17H;
- (c) settling debt service obligations of Jamaica for the purchase of oil and petroleum products under the Petrocaribe Agreement or any other bilateral agreement or arrangement between Jamaica and the Bolivarian Republic of Venezuela.

Establishment
of Board of
Management.

17D.—(1) There shall be established for the purposes of this Part, a Board of Management of the Fund which shall, subject to the provisions of this Act, be responsible for—

- (a) the general management of the resources of the Fund within the guidelines established by the Minister;
- (b) the policy and general administration of the affairs of the Fund;
- (c) recommending to the Minister such projects and the programmes to be financed from the Fund, the purposes of which fall within section 17H;
- (d) investing the moneys of the Fund;
- (e) meeting the financial obligations of Jamaica under the Petrocaribe Agreement;

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- (f) monitoring the implementation of projects financed by the Fund;
- (g) doing or causing to be done such other things as are necessary or expedient for or in connection with the proper performance of the functions of the Fund.

(2) The provisions of the Third Schedule shall have effect as to the constitution of the Board and otherwise in relation thereto. Third Schedule.

17E. The Minister shall give to the Board such directions of a general character as to the policy to be followed by the Board in the performance of its functions as he may consider necessary for the achievement of the following objectives— Policy directions.

- (a) developing the procedures necessary for—
 - (i) the operation of the Fund;
 - (ii) accessing resources from the Fund;
- (b) developing the terms and conditions for loans to be provided through the Fund;
- (c) ensuring the sustainability of the Fund by matching withdrawals against inflows to ensure that debt obligations under the Petrocaribe Agreement can be met from its resources when such debts become due; and
- (d) developing investment guidelines for the resources of the Fund.

17F.—(1) There shall be paid into the Fund—

Payment into Fund.

- (a) such moneys as may from time to time be placed at its disposal for the purposes of this Act by Parliament;
- (b) moneys collected by way of loan proceeds accruing to Jamaica under the Petrocaribe Agreement;
- (c) all amounts which accrue from interest, loan repayments and other accretions to the Fund;

[The inclusion of this page is authorized by L.N. 80A/2006]

(d) the amounts due to the Fund whether, as determined by the Minister, in—

- (i) the currency of the United States of America; or
 - (ii) the equivalent amount in Jamaican currency converted at the current rate of exchange;
- (e) any other sum lawfully paid into, or credited to, the Fund.

(2) In this section “current rate of exchange” means the spot market weighted average selling rate of exchange for United States dollars published by the Bank of Jamaica on the relevant day.

Issuance of
Promissory
Notes.

17G.—(1) The Minister shall authorize the Corporation, the Fund or any other body authorized by the Minister to issue Promissory Notes to the Government of the Bolivarian Republic of Venezuela to secure the sums loaned to Jamaica under the Petrocaribe Agreement.

(2) Copies of Notes issued pursuant to subsection (1) shall be delivered to the Financial Secretary.

Application
of revenue.

17H.—(1) The financial resources of the Fund shall be applied for the purposes authorized by this Act and, without prejudice to the generality of the foregoing, such financial resources shall, so far as practicable, be used—

- (a) to upgrade the social and physical infrastructure of Jamaica;
- (b) to implement projects which impact on the development of the human resources of Jamaica;
- (c) for the refinancing of Government of Jamaica domestic debt;
- (d) for projects relating to energy that are aimed at reducing the reliance of Jamaica on oil, and which promote the development of alternative sources of energy;
- (e) for projects designed to stimulate economic expansion

[The inclusion of this page is authorized by L.N. 80A/2008]

directly, through modernization and retooling of sectors which either earn or save foreign currency;

(f) for the administration and management of the Fund;

(g) for the grant of loans—

(i) subject to subsection (2), to public bodies that are self-financing; and

(ii) subject to subsection (4), to the Ministry responsible for finance and planning in order to finance projects undertaken by Government ministries, agencies and departments whose expenditures are financed by appropriations through the Budget; or

(h) for other related purposes, on such terms and conditions as may be prescribed.

(2) A loan may be granted to a public body referred to in subsection (1)(g) upon application in writing by that body to the Fund and such application shall be supported in writing by the Ministry assigned responsibility for that body.

(3) The grant of such a loan shall be evidenced by an agreement in writing between the body referred to in subsection (1)(g) and the Fund.

(4) Projects referred to in subsection (1)(g)(ii) may qualify for financing from the Fund if they have the potential to generate savings or expand revenue inflows to the Government.

(5) In this section “public body” means a statutory body or authority or a government company.

171. All moneys of the Fund not immediately required to be expended in meeting any of its obligations or discharging any of its functions may, with due regard to the level of inflows and debt service requirements, be invested in such interest bearing

Power to invest moneys.

[The inclusion of this page is authorized by L.N. 80A/2008]

securities in local and foreign currency as may be approved either generally or specifically by the Minister.

**Accounts
and audit.**

17J.—(1) The Fund shall keep proper accounts and other records in relation to its business and shall prepare annually a statement of accounts in a form satisfactory to the Minister, being a form which complies with generally accepted accounting principles.

(2) The accounts of the Fund shall be audited annually by auditors appointed by the Fund.

(3) As soon as the accounts of the Fund have been audited, the Board shall send its audited financial statements to the Minister, together with a copy of any report thereon made by the auditors.

Annual report.

17K.—(1) The Board shall, within four months after the end of each financial year, cause to be made and shall submit to the Minister a report—

(a) dealing generally with the proceedings and activities of the Fund during the preceding financial year; and

(b) containing—

(i) a full statement showing the assets and liabilities of the Fund; and

(ii) the operational plans within which the Fund proposes to carry out its functions.

(2) The Minister shall cause a copy of the report, together with the audited annual financial statements to be laid on the Table of the House of Representatives and of the Senate.

**Exemption
from income
tax.**

17L. The income of the Fund shall be exempt from the payment of income tax.

[The inclusion of this page is authorized by L.N. 80A/2008]

PART IV. Miscellaneous

18. The Minister shall, as soon as is practicable after the Corporation has made an agreement or arrangement pursuant to paragraph (b) of subsection (3) of section 6, by order declare the contractor with whom that agreement or arrangement was made to be a specified contractor for the purposes of this Part.

Specified contractors.

19. Subject to the provisions of this Act the Corporation and any specified contractor shall have the right to enter any land and carry out thereon any operations connected with the exploration or development of petroleum resources.

General rights to enter land and carry out operations thereon.

20.—(1) The Corporation or a specified contractor shall not less than fourteen days before the Corporation or the contractor enters any land pursuant to section 19—

Notice to owner and occupier of land, and security for compensation.

(a) give to the owner and the occupier of the land notice of the intention so to do and of the operations which are intended to be carried out on the land;

(b) if so required by the owner, occupier, or the Minister, lodge with the Accountant-General such sum or give such security as the Minister may direct for the payment of any compensation which may be payable under section 21.

(2) Upon the termination of the operations in respect of which any sum was lodged or any security was given in accordance with a requirement under subsection (1), the person who lodged that sum or gave that security may apply in writing to the Minister for the refund of that sum or the balance thereof or for the release of that security, as the case may require, and the Minister may—

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(a) authorize the refund or release if he is satisfied that the refund or release should be made; or

(b) refuse to authorize the refund or release until such time as he is satisfied that the refund or release should be made.

(3) The making of a refund or release under subsection (2) shall be without prejudice to any claim or proceeding for compensation under section 21 which has arisen or may arise against the person to whom the refund or release is made.

(4) Sums lodged under this section may be otherwise dealt with in such manner as may be prescribed.

Compensation to owner and occupier of land.

21.—(1) The Corporation or a specified contractor shall, upon the demand of the owner or occupier of any land on which the Corporation or that contractor has carried out, or is carrying out, operations pursuant to section 19, pay that owner or occupier fair and reasonable compensation for any disturbance of his surface rights and for any damage done to the surface of the land or to any live or dead stock, crops, trees, buildings or works as a result of those operations.

(2) The amount of compensation payable under subsection (1) shall be determined by agreement between the parties or, if the parties are unable to reach agreement, any of them may take proceedings in the Resident Magistrate's Court without limit of amount.

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(3) If the compensation determined by agreement in accordance with subsection (2) is not paid, the owner or occupier may take proceedings in the Resident Magistrate's Court for an order for payment without limit of amount.

(4) The sum awarded by the Resident Magistrate, or when there has been an appeal, by the Court of Appeal, shall be paid by the person against whom the award was made to the person entitled to that sum, within fourteen days after the date of the award.

(5) Without prejudice to any other means of recovery if the sum awarded is not paid within the time specified in subsection (4) it may, on application to the Minister, be paid out of the sum, if any, lodged in accordance with section 20.

(6) The Minister may, by notice to any person who has failed to pay any sum awarded under this section, suspend the rights of that person to carry on operations on the land pursuant to section 19 until he pays that sum and lodges with the Accountant-General such further sum as the Minister may demand as security for any future compensation payable.

(7) Where it is not practicable, after reasonable enquiry, to ascertain the name or address of the owner or occupier of any land on which the Corporation or a specified contractor has carried out, or is carrying out, operations pursuant to section 19, the Corporation or that contractor, as the case may require, shall apply to the Resident Magistrate's Court for determination of the amount of compensation payable to that owner or occupier without limit of amount.

22. *[Deleted by Act 36 of 1995, Sch.]*

23. *[Deleted by Act 36 of 1995, Sch.]*

24. *[Deleted by Act 36 of 1995, Sch.]*

25. *[Deleted by Act 36 of 1995, Sch.]*

[The inclusion of this page is authorized by L.N. 96/1998]

Regulations.

26.—(1) The Minister may make regulations generally for the proper carrying out of the provisions and purposes of this Act, and in particular, but without prejudice to the generality of the foregoing, may make regulations—

- (a) for ensuring safe construction, maintenance and operation of installations and facilities used in connection with operations in relation to petroleum resources, and for safe practices in the exploration and development of, those resources;
- (b) providing for the safety, health and welfare of persons employed in operations in relation to petroleum resources and generally for safety measures of all kinds;
- (c) for the prevention of pollution and the taking of remedial action in respect of any pollution which occurs;
- (d) for the inspection of areas in which operations in relation to petroleum resources are carried on and of any plant, machinery, installations and facilities within those areas;
- (e) for the reporting of, and inquiries into, accidents;
- (f) providing for the keeping and inspection of records, books, accounts, statistics and plans;
- (g) for the relinquishment of portions of areas to which agreements or arrangements made pursuant to paragraph (b) of subsection (3) of section 6 in respect of development of petroleum resources apply;
- (h) providing for the protection of fishing, navigation and other activities carried on within, or in the vicinity of areas in which operations in relation to petroleum resources are carried on;
- (i) providing for the making of reports and returns;

[The inclusion of this page is authorized by L.N. 96/1998]

- (j) prescribing standards for petroleum and petroleum products and for the transportation of petroleum and petroleum products;
- (k) prescribing, subject to the provisions of subsection (2), the rates of royalties to be paid to the Government, the method of calculation of the amount of those royalties, and the manner and time of payment thereof;
- (l) prescribing the size of the area which may be allocated to any specified contractor for the purposes of exploration;
- (m) providing for the determination of the value of oil and natural gas after taking into account all relevant factors;
- (n) requiring the Corporation to submit to the Minister, at such times and in respect of such periods as the regulations shall specify, the investment programmes of the Corporation;
- (o) providing for the conservation of petroleum and other energy resources and the avoidance of unnecessary waste of such resources;
- (p) prescribing any other matter or anything which may be, or is required by this Act to be, prescribed.

(2) Regulations under this section may provide in respect of a breach of any of the provisions thereof that the offender shall be liable on summary conviction before a Resident Magistrate to a fine not exceeding one million dollars or to imprisonment for a term not exceeding six months, or to both such fine and imprisonment.

16/2006
S. 3.

27.—(1) Any person who—

Offences.

- (a) unlawfully interferes with or obstructs the Corporation, any contractor or their servants or agents in the exercise of any right under this Act;
- (b) wilfully obstructs, hinders or assaults any other person in the exercise or execution of any right, power or duty under this Act; or

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(c) contravenes any of the provisions of this Act, shall be guilty of an offence and shall be liable on summary conviction before a Resident Magistrate to a fine not exceeding one million dollars or to imprisonment for a term not exceeding twelve months, or to both such fine and imprisonment.

16/2006
S. 4(b).

(2) The Minister may, by order, subject to affirmative resolution, amend the penalties specified in this Act.

16/2006
S. 4(c).

Seizure of
petroleum
prior to
conviction.
16/2006
S. 5.

27A. Where a constable has reasonable cause to suspect that petroleum resources are being or have been explored in contravention of this Act or any agreement or arrangement provided for under this Act, the constable may seize the petroleum and it shall be dealt with pursuant to section 27B or otherwise according to law.

Additional
penalties.
16/2006
S. 5.

27B.—(1) Where any petroleum is seized pursuant to section 27A and any person is convicted in relation thereto of an offence under this Act or any regulations made hereunder, the Court may, in addition to imposing a fine, make an order—

- (a) for the sale or other disposal of the petroleum seized;
- (b) for the payment by that person to the Crown of an amount equal to the proceeds of the sale of petroleum so seized; or
- (c) upon the Court's assessment of the quantity of petroleum seized and the market value at the well-head, for the payment by the person to the Crown of—
 - (i) an amount equivalent to such market value assessed; or
 - (ii) such part of the market value assessed as the Court, having regard to all the circumstances, thinks fit.

(2) Where the Court is satisfied that an order made under subsection (1) (a) cannot, for any reason, be enforced, the Court may, upon the application of the person by whom the proceedings were brought, set aside the order and make either of the orders referred to in paragraphs (b) and (c) of that subsection.

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(3) The Court may, before making an order under this section, require notice to be given to, and hear, such persons as the Court thinks fit.

28. The laws of Jamaica extend—

- (a) to the continental shelf;
- (b) to the exclusive economic zone;
- (c) to all artificial islands and other structures built on the areas mentioned in paragraphs (a) and (b), and any vessels stationed over those areas, for the purpose of exploring for or developing petroleum resources or removing or transporting therefrom any petroleum or petroleum product,

Extension
of laws of
Jamaica to
certain
areas and
vessels.
33/1991
S. 22.

to the same extent as if the continental shelf and those areas, islands, structures or vessels (hereinafter referred to as the maritime extensions) were located in Jamaica; and for the purposes of the jurisdiction of any court in Jamaica any such maritime extension shall be treated as if it were located in the parish in which proceedings are brought.

FIRST SCHEDULE

(Section 5)

Constitution of the Corporation.	1. The Corporation shall consist of such number of persons, not being less than five nor more than twelve, as the Minister may from time to time determine.
Appointment of members.	2. The members of the Corporation shall be appointed by the Minister by instrument in writing and, subject to the provisions of this Schedule, shall hold office for such period, not exceeding two years, as the Minister may direct, but shall be eligible for reappointment.
Chairman.	3. The Minister shall appoint one of the members of the Corporation to be the chairman thereof.
Leave of absence.	4. The Minister may grant to any member of the Corporation leave of absence in respect of his duties as a member of the Corporation.
Acting appointments.	5. If the chairman or any other member of the Corporation is absent or unable to act, the Minister may appoint any person to act in the place of the chairman or such other member.
Resignations.	6.—(1) Any member of the Corporation, other than the chairman, may at any time resign his office by instrument in writing addressed to the Minister and transmitted through the chairman, and from the date of receipt by the Minister of that instrument, that member shall cease to be a member of the Corporation. (2) The chairman may at any time resign his office by instrument in writing addressed to the Minister, and such resignation shall take effect as from the date of receipt by the Minister of that instrument.
Revocation of appointments.	7. The Minister may at any time revoke the appointment of any member of the Corporation if he thinks it expedient so to do.
Gazetting of appointments.	8. The names of all members of the Corporation as first constituted and every change in membership thereof shall be published in the <i>Gazette</i> .
Seal, and execution of documents.	9.—(1) The seal of the Corporation shall be kept in the custody of the chairman or the secretary and shall be affixed to instruments pursuant to a resolution of the Corporation in the presence of the chairman, or any other member of the Corporation, and the secretary. (2) The seal of the Corporation shall be authenticated by the signatures of the chairman, or any other member authorized to act in that behalf, and the secretary. (3) All documents, other than those required by law to be under seal, made by, and all decisions of, the Corporation may be signified under the

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hands of the chairman, or any other member authorized to act in that behalf, and the secretary.

10.—(1) The Corporation shall meet at such times as may be necessary or expedient for the transaction of its business, and such meetings shall be held at such places and times and on such days as the Corporation may determine. Procedure and meetings.

(2) The chairman may at any time call a special meeting of the Corporation and shall call a special meeting within seven days of the receipt of a written requisition for that purpose addressed to him by any two members of the Corporation.

(3) The chairman shall preside at all meetings of the Corporation at which he is present, and in the case of his temporary absence the members present and constituting a quorum shall elect a chairman from among their number to preside at the meeting.

(4) The quorum of the Corporation shall be such number as the Minister may from time to time determine, but shall not be less than one-half the total number of members of the Corporation.

(5) The decisions of the Corporation shall be by a majority of votes and, in addition to an original vote, the chairman or other person presiding at the meeting shall have a casting vote in any case in which the voting is equal.

(6) Minutes in proper form of each meeting of the Corporation shall be kept and shall be confirmed as soon as practicable thereafter at a subsequent meeting.

(7) The validity of the proceedings of the Corporation shall not be affected by any vacancy amongst the members thereof or by any defect in the appointment of a member thereof.

(8) Subject to the provisions of this Schedule, the Corporation may regulate its own proceedings.

11.—(1) The Corporation may delegate to any member or committee thereof such of the functions of the Corporation as the Corporation may decide. Power to delegate.

(2) Every delegation under this paragraph shall be revocable by the Corporation and no delegation shall prevent the exercise by the Corporation of any function delegated.

12. A member of the Corporation who is directly or indirectly interested in a contract made or proposed to be made by the Corporation— Disclosure of interest.

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- (a) shall disclose the nature of his interest at a meeting of the Corporation; and
- (b) shall not take part in any deliberation or decision of the Corporation with respect to that contract.

Protection of
members.

13.—(1) No member of the Corporation shall be personally liable for any act or default of the Corporation done or omitted to be done in good faith in the course of the operation of the Corporation.

(2) Where any member of the Corporation is exempt from liability by reason only of the provisions of this paragraph the Corporation shall be liable to the extent that it would be if the member was a servant or agent of the Corporation.

Remuner-
ation of
members.

14. There shall be paid from the funds of the Corporation to the chairman and other members of the Corporation such remuneration whether by way of honorarium, salary or fees, and such allowances as the Minister may determine.

Office of
member
not a public
office.

15. The office of the chairman or member of the Corporation shall not be a public office for the purpose of Chapter V of the Constitution of Jamaica.

SECOND SCHEDULE

(Section 17B(2))

The Petrocaribe Development Fund

Seal and
execution of
documents.
16/2006
S. 6(b).

1.—(1) The seal of the Fund shall be kept in the custody of the chairman or of any officer of the Fund authorized by the Board in that behalf, and shall be affixed to instruments pursuant to a resolution of the Board in the presence of the chairman or any other member duly authorized to act in that behalf, and the secretary.

(2) The seal of the Fund shall be authenticated by the signature of the secretary or any other member of the Board duly authorized to act in that behalf.

Appoint-
ment and
employment
of officers.

2.—(1) Subject to sub-paragraph (2), the Fund shall appoint and employ at such remuneration and on such terms and conditions as it thinks fit such officers and employees as it thinks necessary for the proper carrying out of the provisions of this Act.

(2) The Fund shall act in accordance with such guidelines in

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relation to emoluments payable to the staff of public bodies, as are issued from time to time by the Minister responsible for the public service.

3. All documents, other than those required by law to be under seal, made by, and all decisions of, the Fund may be signified under the hand of the chairman or any member of the Board authorized to act in that behalf or an officer of the Fund so authorized.

Documents to be signified.

4. The expenses of the Fund (including the remuneration of the staff thereof and members of the Board) shall be defrayed out of the financial resources of the Fund.

Expenses of Fund.

THIRD SCHEDULE

(Section 17D(2))

The Board of Management of the Fund

1. The Board shall consist of such number of members being not less than five nor more than nine as the Minister may from time to time appoint including—

Constitution of the Board.

(a) the following persons who shall be *ex-officio* members—

- (i) the Permanent Secretary of the Office of the Prime Minister or his nominee;
- (ii) the Secretary to the Cabinet or his nominee;
- (iii) the Permanent Secretary of the Ministry with responsibility for energy or his nominee;
- (iv) the Chief Executive Officer of the Corporation;
- (v) the Financial Secretary;
- (vi) the Director General of the Planning Institute of Jamaica;

(b) such other persons who appear to the Minister to have ability and experience in matters relating to the activities of the Fund (hereinafter referred to as "selected members").

2.—(1) The Minister shall appoint—

- (a) the Financial Secretary to be chairman of the Board; and
- (b) a deputy chairman from among the other members.

Chairman and deputy chairman.

(2) In the case of the absence or inability to act of the chairman, the deputy chairman shall exercise the functions of the chairman.

(3) In the case of the absence or inability to act at any meeting of

	both the chairman and the deputy chairman, the remaining members shall elect one of their number to act as chairman of that meeting.
Term of office.	3. Subject to the provisions of this Schedule, a selected member of the Board shall hold office for a period not exceeding three years and each such member shall be eligible for re-appointment.
Acting appointments.	4. The Minister may appoint any person to act in the place of any member of the Board in the case of the absence or inability to act of such member.
Resignation.	5. A selected member of the Board may at any time resign his office by instrument in writing addressed to the Minister and transmitted through the chairman, and from the date of the receipt by the Minister of such instrument, such member shall cease to be a member of the Board.
Revocation of appointments.	6. The Minister may at any time revoke the appointment of a selected member if he considers it expedient so to do.
Gazetting of appointments.	7. The names of all members of the Board as first constituted and every change in membership thereof shall be published in the <i>Gazette</i> .
Leave of absence.	8.—(1) The Minister may, on the application of any selected member of the Board, grant leave of absence to such member. (2) The appointment of a selected member shall be regarded as terminated if, without the grant of leave of absence, that member is absent from three consecutive meetings of the Board.
Procedure and meetings.	9.—(1) The Board shall meet at such times as may be necessary or expedient for the transaction of business (but at least six meetings shall be held within each financial year) and such meetings shall be held at such places and times and on such days as the Board shall determine. (2) The chairman may at any time call a special meeting of the Board to be held within seven days of a written request for the purpose addressed to him by any two members of the Board. (3) The chairman or, in the case of the absence or inability to act of the chairman, the deputy chairman or the person elected to act as chairman in accordance with paragraph 2(3) shall preside at the meetings of the Board, and when so presiding the chairman, deputy chairman or the person elected as aforesaid to act as chairman, as the case may be, shall have an original and a casting vote. (4) The quorum of the Board shall be one-half the number of the membership. (5) The decisions of the Board shall be by a majority of votes and, in

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addition to an original vote, the chairman or other member presiding at the meeting shall have a casting vote in any case in which the voting is equal.

(6) Minutes in proper form of each meeting of the Board shall be kept.

(7) Subject to the provisions of this Schedule the Board may regulate its own proceedings.

10. A member of the Board who is directly or indirectly interested in any matter which is being dealt with by the Board shall— Disclosure of interest.

(a) disclose the nature of his interest at a meeting of the Board; and

(b) not take part in any deliberation or decision of the Board with respect to that matter.

11.—(1) The Board may appoint such committees as it thinks fit, consisting wholly or partly of members of the Board and may delegate to such committees such of the Board's functions as it thinks fit. Appointment of committees.

(2) A delegation under subparagraph (1) shall not prevent the exercise by the Board of any function so delegated.

12. There shall be paid to the chairman and each member of the Board such remuneration, if any (whether by way of honorarium, salary or fees) and such allowances as the Minister may determine. Remuneration of directors.

13. No act done or proceeding taken under this Act by the Board shall be questioned on the ground of— Protection of office.

(a) the existence of any vacancy in the chairmanship of, or any defect in the constitution of, the Board; or

(b) any omission, defect or irregularity not affecting the merits of the case.

14.—(1) No member of the Board shall be personally liable for any act or default of the Board done or omitted to be done in good faith in the course of the operation of the Board. Protection of members of Board.

(2) Where any member of the Board is exempt from liability by reason only of the provisions of this paragraph, the Fund shall be liable to the extent that it would be if that member were an employee or agent of the Fund.

15. The office of a selected member of the Board shall not be a public office for the purposes of Chapter V of the Constitution of Jamaica. Office of member not public office.

[The inclusion of this page is authorized by L.N. 80A/2008]

APPENDIX 8 – The Petroleum (Amendment) Act - The Petrocaribe Development Fund

2	[No. 16]	<i>The Petroleum (Amendment) Act, 2006</i>
Insertion of new Part IIIA in principal Act.	2.	The principal Act is amended by inserting next after Part III the following as PART IIIA— “ PART IIIA. <i>The Petrocaribe Development Fund</i> Interpretation. 17A. In this Part— “Board” means the Board of Management of the Fund, established under section 17D; “Fund” means the Petrocaribe Development Fund established under section 17B; “Minister” unless the context otherwise requires means the Minister responsible for finance; “PDVSA” means Petróleos de Venezuela S.A., the entity in Venezuela that supplies oil and petroleum products to Jamaica under the Petrocaribe Agreement; “Petrocaribe Agreement” means the Energy Cooperation Agreement Petrocaribe between the Government of the Bolivarian Republic of Venezuela and the Government of Jamaica signed in Montego Bay, Jamaica on August 23, 2005 and any agreement in succession thereto. 17B.—(1) There is hereby established for the purposes of this Part, a body to be known as the Petrocaribe Development Fund which shall be a body corporate to which section 28 of the Interpretation Act shall apply. (2) The provisions of the Second Schedule shall have effect as to the constitution of the Fund and otherwise in relation thereto.
Establishment of the Petrocaribe Development Fund.		
Second Schedule.		

Functions of
the Fund.

17C. The Fund shall perform the functions
of—

(a) receiving—

- (i) loan proceeds accruing to Jamaica under the Petrocaribe Agreement;
- (ii) loan repayments from borrowers from the Fund; and
- (iii) other proceeds which might accrue from the investments of the Fund;

(b) financing projects and programmes in accordance with section 17H;

(c) settling debt service obligations of Jamaica for the purchase of oil and petroleum products under the Petrocaribe Agreement or any other bilateral agreement or arrangement between Jamaica and the Bolivarian Republic of Venezuela.

Establishment
of Board of
Management.

17D.—(1) There shall be established for the purposes of this Part, a Board of Management of the Fund which shall, subject to the provisions of this Act, be responsible for—

- (a) the general management of the resources of the Fund within the guidelines established by the Minister;
- (b) the policy and general administration of the affairs of the Fund;
- (c) recommending to the Minister such projects and programmes to be financed from the Fund, the purposes of which fall within section 17H;

- (d) investing the moneys of the Fund;
- (e) meeting the financial obligations of Jamaica under the Petrocaribe Agreement;
- (f) monitoring the implementation of projects financed by the Fund;
- (g) doing or causing to be done such other things as are necessary or expedient for or in connection with the proper performance of the functions of the Fund.

Third
Schedule.

(2) The provisions of the Third Schedule shall have effect as to the constitution of the Board and otherwise in relation thereto.

Policy
directions.

17E. The Minister shall give to the Board such directions of a general character as to the policy to be followed by the Board in the performance of its functions as he may consider necessary for the achievement of the following objectives—

- (a) developing the procedures necessary for—
 - (i) the operation of the Fund;
 - (ii) accessing resources from the Fund;
- (b) developing the terms and conditions for loans to be provided through the Fund;
- (c) ensuring the sustainability of the Fund by matching withdrawals against inflows to ensure that debt obligations under the Petrocaribe Agreement can be met from its resources when such debts become due; and

- (d) developing investment guidelines for the resources of the Fund.

Payment into Fund.

17F.—(1) There shall be paid into the Fund—

- (a) such moneys as may from time to time be placed at its disposal for the purposes of this Act by Parliament;
- (b) moneys collected by way of loan proceeds accruing to Jamaica under the Petrocaribe Agreement;
- (c) all amounts which accrue from interest, loan repayments and other accretions to the Fund;
- (d) the amounts due to the Fund whether, as determined by the Minister, in—
 - (i) the currency of the United States of America; or
 - (ii) the equivalent amount in Jamaican currency converted at the current rate of exchange;
- (e) any other sum lawfully paid into, or credited to, the Fund.

(2) In this section “current rate of exchange” means the spot market weighted average selling rate of exchange for United States dollars published by the Bank of Jamaica on the relevant day.

Issuance of Promissory Notes.

17G.—(1) The Minister shall authorize the Corporation, the Fund or any other body authorized by the Minister to issue Promissory Notes to the Government of the Bolivarian Republic of Venezuela to secure the sums loaned to Jamaica under the Petrocaribe Agreement.

(2) Copies of Notes issued pursuant to subsection (1) shall be delivered to the Financial Secretary.

Application
of revenue.

17H.—(1) The financial resources of the Fund shall be applied for the purposes authorized by this Act and, without prejudice to the generality of the foregoing, such financial resources shall, so far as practicable, be used—

- (a) to upgrade the social and physical infrastructure of Jamaica;
- (b) to implement projects which impact on the development of the human resources of Jamaica;
- (c) for the refinancing of Government of Jamaica domestic debt;
- (d) for projects relating to energy that are aimed at reducing the reliance of Jamaica on oil, and which promote the development of alternative sources of energy;
- (e) for projects designed to stimulate economic expansion directly, through modernization and retooling of sectors which either earn or save foreign currency;
- (f) for the administration and management of the Fund;
- (g) for the grant of loans—
 - (i) subject to subsection (2), to public bodies that are self-financing; and

- (ii) subject to subsection (4), to the Ministry responsible for finance and planning in order to finance projects undertaken by Government ministries, agencies and departments whose expenditures are financed by appropriations through the Budget; or
- (h) for other related purposes, on such terms and conditions as may be prescribed.

(2) A loan may be granted to a public body referred to in subsection (1)(g) upon application in writing by that body to the Fund and such application shall be supported in writing by the Ministry assigned responsibility for that body.

(3) The grant of such a loan shall be evidenced by an agreement in writing between the body referred to in subsection (1)(g) and the Fund.

(4) Projects referred to in subsection (1)(g)(ii) may qualify for financing from the Fund if they have the potential to generate savings or expand revenue inflows to the Government.

(5) In this section "public body" means a statutory body or authority or a government company.

Power to
invest
moneys.

17I. All moneys of the Fund not immediately required to be expended in meeting any of its obligations or discharging any of its functions

may, with due regard to the level of inflows and debt service requirements, be invested in such interest bearing securities in local and foreign currency as may be approved either generally or specifically by the Minister.

Accounts and
audit.

17J.—(1) The Fund shall keep proper accounts and other records in relation to its business and shall prepare annually a statement of accounts in a form satisfactory to the Minister, being a form which complies with generally accepted accounting principles.

(2) The accounts of the Fund shall be audited annually by auditors appointed by the Fund.

(3) As soon as the accounts of the Fund have been audited, the Board shall send its audited financial statements to the Minister, together with a copy of any report thereon made by the auditors.

Annual
Report.

17K.—(1) The Board shall, within four months after the end of each financial year, cause to be made and shall submit to the Minister a report—

- (a) dealing generally with the proceeds and activities of the Fund during the preceding financial year; and
- (b) containing—
 - (i) a full statement showing the assets and liabilities of the Fund; and
 - (ii) the operational plans within which the Fund proposes to carry out its functions.

(2) The Minister shall cause a copy of the report, together with the audited annual financial statements to be laid on the Table of the House of Representatives and of the Senate.

Exemption from income tax. 17L. The income of the Fund shall be exempt from the payment of income tax."

3. Section 26 of the principal Act is amended by deleting subsection (2) and substituting therefor the following—

Amendment of section 26 of principal Act.

" (2) Regulations under this section may provide in respect of a breach of any of the provisions thereof that the offender shall be liable on summary conviction before a Resident Magistrate to a fine not exceeding one million dollars or to imprisonment for a term not exceeding six months, or to both such fine and imprisonment "

4. Section 27 of the principal Act is amended—

Amendment of section 27 of principal Act.

- (a) by renumbering the section as subsection (1);
- (b) in subsection (1) as renumbered, by deleting the words "one thousand" and substituting therefor the words "one million";
- (c) by inserting next after subsection (1) the following as subsection (2)—

" (2) The Minister may, by order, subject to affirmative resolution, amend the penalties specified in this Act."

5. The principal Act is amended by inserting next after section 27 the following as sections 27A and 27B—

Insertion of new sections 27A and 27B in principal Act.

"Seizure of petroleum prior to conviction.

27A. Where a constable has reasonable cause to suspect that petroleum resources are being or have been explored in contravention of this Act or any agreement or arrangement provided for under this Act, the constable may seize the petroleum and it shall be dealt with pursuant to section 27B or otherwise according to law.

Additional
penalties.

27B.—(1) Where any petroleum is seized pursuant to section 27A and any person is convicted in relation thereto of an offence under this Act or any regulations made hereunder, the Court may, in addition to imposing a fine, make an order—

- (a) for the sale or other disposal of the petroleum seized;
- (b) for the payment by that person to the Crown of an amount equal to the proceeds of the sale of petroleum so seized; or
- (c) upon the Court's assessment of the quantity of petroleum seized and the market value at the well-head, for the payment by the person to the Crown of—
 - (i) an amount equivalent to such market value assessed; or
 - (ii) such part of the market value assessed as the Court, having regard to all the circumstances, thinks fit.

(2) Where the Court is satisfied that an order made under subsection (1)(a) cannot, for any reason, be enforced, the Court may, upon the application of the person by whom the proceedings were brought, set aside the order and make either of the orders referred to in paragraphs (b) and (c) of that subsection.

(3) The Court may, before making an order under this section, require notice to be given to, and hear, such persons as the Court thinks fit."

6. The principal Act is amended by—

Other
amendments
to principal
Act.

- (a) renumbering the Schedule by deleting the heading thereto and substituting therefor the words "First Schedule"; and
- (b) inserting next after the First Schedule as renumbered, the following as the Second and Third Schedules—

APPENDIX 9 – The Bauxite and Alumina Industries (Encouragement) Act

BAUXITE AND ALUMINA INDUSTRIES (ENCOURAGEMENT)

THE BAUXITE AND ALUMINA INDUSTRIES (ENCOURAGEMENT) ACT

ARRANGEMENT OF SECTIONS

1. Short title.
2. Power to declare producers of bauxite and alumina recognized producers thereof.
3. Power to make agreements, etc.
4. Import concessions to recognized bauxite producers.
5. Import concessions to recognized alumina producers.
6. Customs duty and tax to be paid in certain circumstances.
7. Restriction of imposition of import duty on certain articles.
8. Excise duty concessions.
9. Special provisions relating to income tax.
10. Regulations.

SCHEDULE

[The inclusion of this page is authorized by L.N. 90/1993]

**BAUXITE AND ALUMINA INDUSTRIES
(ENCOURAGEMENT)**

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**THE BAUXITE AND ALUMINA INDUSTRIES
(ENCOURAGEMENT) ACT**

[12th June, 1950.]

Cap. 37.
Acts
37 of 1967,
15 of 1988,
12 of 1988
Sch.
1 of 1990,
16 of 1991
S. 64,
13 of 1997.

1. This Act may be cited as the Bauxite and Alumina Industries (Encouragement) Act. Short title.

2.—(1) Where the Minister is satisfied that any person is engaged in or is desirous of engaging in the winning in Jamaica of bauxite or the producing in Jamaica of alumina from bauxite so won, and that it is expedient so to do, he may by order declare such person to be a recognized bauxite producer or a recognized alumina producer, or both, as the case may be, with effect from such day (which may be anterior to the enactment of this Act) as may be specified in such order, so, however, that no order shall be made under this section unless the person to whom such order relates has signified in writing his approval of such order and of the conditions, if any, contained therein. Power to declare producers of bauxite and alumina recognized producers thereof.

(2) Every order under subsection (1) shall be subject to such conditions (including but not restricted to conditions requiring the payment by the producer to whom the order relates to the Government of Jamaica of any sum of money) specified therein as the Minister may think expedient for securing that the total area and the fertility and the productivity of land available in Jamaica for agricultural and pastoral purposes shall not be diminished to any greater extent or for any longer period than can in the opinion of the Commissioner of Mines economically be avoided, by the occupancy by such producer of any lands

[The inclusion of this page is authorized by L.N. 146/1999]

**BAUXITE AND ALUMINA INDUSTRIES
(ENCOURAGEMENT)**

in Jamaica or by the winning of bauxite in Jamaica by or on behalf of or for the purpose of being supplied to such producer, and for securing the speedy and full development of the bauxite resources of Jamaica and the speedy and most effectual development of an alumina industry in Jamaica.

(3) Where any recognized bauxite producer or any recognized alumina producer fails or neglects to comply with any conditions included by virtue of the provisions of subsection (2) in the order by which he is declared to be a recognized bauxite producer or recognized alumina producer, or both, as the case may be, the Minister may by notice in writing require such person within such period (not being less than three months) as may be specified in such notice to comply with such conditions and if such person fails within the period so specified so to comply with such conditions, may in his absolute discretion revoke the order by which such person was declared to be a recognized bauxite producer or recognized alumina producer, or both, as the case may be.

(4) Where any order under subsection (1) is revoked pursuant to the provisions of subsection (3) the provisions of this Act shall be deemed never to have applied to such person and any sums which but for the provisions of this Act would have been payable by such person by way of tonnage tax or customs duty or other similar impost shall forthwith be deemed to be due and payable to the Government of Jamaica and shall be recoverable in an action for a civil debt.

Power to
make
agreements,
etc.
37/1967
S. 2.

3. It is hereby declared that the Minister may, on behalf of the Government, make or confirm such agreements and arrangements as he may think expedient for the encouragement and expansion of the alumina industry in Jamaica.

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**BAUXITE AND ALUMINA INDUSTRIES
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4.—(1) No customs duty or other similar impost or general consumption tax shall be payable in respect of the importation into Jamaica by any recognized bauxite producer of—

Import concessions to recognized bauxite producers. 15/1980 S. 2(a). Schedule. Part I. 16/1991 S. 64.

- (a) any of the articles specified in Part I of the Schedule; or
- (b) lubricating oils, grease, blasting materials and chemicals and such other materials (except petrol) necessary for the winning, treating and transportation in Jamaica and shipping of bauxite as the Minister may by order declare.

(2) All documents used in connection with the importation into Jamaica of any of the articles referred to in subsection (1), shall be exempt from additional stamp duty.

(3) For the purposes of this section any articles specified in Part I of the Schedule shall be deemed to be imported by a recognized bauxite producer if the Commissioner of Customs and Excise is satisfied that they are imported by the holder of a contract with such producer to perform construction work for such producer and that the articles so imported will—

12/1985 Sch.

- (a) be solely used for the purposes of performing such work or any work in connection with the repair, maintenance or restoration of any plant or equipment; and
- (b) upon the conclusion of such work either be disposed of by the contractor to such producer or be re-exported by the contractor,

37/1967 S. 3(b), (c). 15/1980 S. 2(b).

and if the contractor gives security to the satisfaction of the Commissioner of Customs and Excise.

12/1985 Sch. recognized

5.—(1) No customs duty or other similar impost or general consumption tax shall be payable in respect of the importation into Jamaica by any recognized alumina producer—

Import concessions to alumina producers. 15/1980 S. 3(a). 16/1991 S. 64.

[The inclusion of this page is authorized by L.N. 90/1993]

**BAUXITE AND ALUMINA INDUSTRIES
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- Schedule,
Part II.
- 37/1967
S. 4(a).
- (a) of any of the articles specified in Part II of the Schedule; or
- (b) of lubricating oils, grease, chemicals and such other materials (except petrol) necessary for the manufacture and transportation in Jamaica and shipping of alumina from bauxite won in Jamaica as the Minister may by order declare.

(2) All documents used in connection with the importation into Jamaica of any of the articles referred to in subsection (1), shall be exempt from additional stamp duty.

- 12/1985
Sch.
- (3) For the purposes of this section any articles specified in Part II of the Schedule shall be deemed to be imported by a recognized alumina producer if the Commissioner of Customs and Excise is satisfied that they are imported by the holder of a contract with such producer to perform construction work for such producer and that the articles so imported will—

- 37/1967
S. 4(c).
15/1980
S. 3(b).
- (a) be solely used for the purposes of performing such work or any work in connection with the repair, maintenance or restoration of any plant or equipment; and
- (b) upon the conclusion of such work either be disposed of by the contractor to such producer or be re-exported by the contractor,

12/1985
Sch.

and if the contractor gives security to the satisfaction of the Commissioner of Customs and Excise.

Customs
duty and
tax to be
paid in
certain
circum-
stances.
16/1991
S. 64.

16/1991
S. 64.

6.—(1) Where any articles are imported into Jamaica free of customs duty pursuant to the provisions of this Act such articles shall not be sold or given away at any time within five years next after the date of their importation into Jamaica except to a person who under the provisions of this Act would have been entitled to import such articles into Jamaica free of customs duty or other similar impost or general consumption tax unless at the time when such

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articles are so sold or given away there is paid to the Commissioner of Customs and Excise or the Commissioner of Taxpayer Audit and Assessment all sums which would have been payable in respect of customs duty or other similar impost and general consumption tax in respect of the importation into Jamaica of such articles if such articles had not been imported into Jamaica under the provisions of this Act.

12/1985
Sch.
16/1991
S. 64.
L.N.
163/1995.

16/1991
S. 64.

(2) Where any articles imported into Jamaica free of customs duty or general consumption tax pursuant to the provisions of this Act are sold or given away otherwise than in accordance with the provisions of subsection (1), such articles shall be forfeited to the Crown and the persons by whom and to whom such articles are so sold or given away shall both be guilty of an offence against this section and on summary conviction before a Resident Magistrate shall respectively be liable to a penalty of three times the value of the articles so sold or given away or one thousand dollars (whichever shall be the greater) and in default of payment thereof to be imprisoned for any term not exceeding twelve months.

16/1991
S. 64.

7.—(1) Notwithstanding anything in any Act which may hereafter be enacted or in any resolution of the House of Representatives or in any order of the Minister, whereby any customs duty or other similar impost may be imposed upon the importation into Jamaica of petroleum fuel (except petrol), fuel oil or diesel oil, no such customs duty or other similar impost shall be payable in respect of the importation into Jamaica of any petroleum fuel (except petrol), fuel oil or diesel oil, during the relevant concession period if such petroleum fuel or such oil is imported—

Restriction
of imposi-
tion of
import
duty on
certain
articles.
37/1967
S. 5(a).

37/1967
S. 5(b).

- (a) by any recognized bauxite producer for the purpose of being used in the winning, treating, transporting in Jamaica and shipping of bauxite; or

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- (b) by any recognized alumina producer for the purpose of manufacturing, transporting in Jamaica and shipping of alumina manufactured from bauxite won in Jamaica.

15/1980
S. 4.
1/1990
S. 2.
13/1997
S. 2 (a).
13/1997
S. 2 (b).

(2) For the purposes of this section "the relevant concession period" means a period commencing on the 1st day of November, 1979, and ending on the prescribed date.

(3) For the purposes of subsection (2) the prescribed date means the 31st day of December, 1996 or such other date as the Minister may, by order, prescribe.

13/1997
S. 2 (b).

(4) An order under subsection (3) shall be subject to affirmative resolution of the House of Representatives.

Excise
duty con-
cessions.
37/1967
S. 6.
15/1980
S. 5.
Schedule.
Part I.

8.—(1) Notwithstanding anything contained in any law no excise duty shall be payable on the following articles purchased from the manufacturer thereof by any recognized bauxite producer, that is to say—

- (a) any of the articles specified in Part I of the Schedule or in paragraph (b) of section 4 (1), manufactured in Jamaica and purchased for the purposes specified in that paragraph; or
- (b) any of the articles specified in subsection (1) of section 7, manufactured in Jamaica and purchased during the period and for the purposes specified in that subsection.

(2) Notwithstanding anything contained in any law no excise duty shall be payable on the following articles purchased from the manufacturer thereof by any recognized alumina producer, that is to say—

Part II.

- (a) any of the articles specified in Part II of the Schedule or in paragraph (b) of section 5 (1), manufactured in Jamaica and purchased for the purposes specified in that paragraph; or

[The inclusion of this page is authorized by L.N. 3/2001]

- (b) any of the articles specified in subsection (1) of section 7, manufactured in Jamaica and purchased during the period and for the purposes specified in that subsection.

(3) In relation to the exemption of articles from excise duty the provisions of—

- (a) subsection (3) of section 4;
(b) subsection (3) of section 5;
(c) section 6,

shall apply, with such modifications as may be necessary, as they apply in relation to the exemption of articles from customs duty or other similar impost.

9.—(1) Notwithstanding anything to the contrary, where the Minister is satisfied that by reason of the manner in which or terms upon which or persons to whom any recognized bauxite producer disposes or proposes to dispose of any bauxite won by him in Jamaica it is not practicable accurately to assess for the purposes of any law relating to income tax his rate of profit upon bauxite so won, the Minister may direct that during such period as may be specified in such direction the rate of profit assessable for income tax purposes upon all units of bauxite (specified in such direction) disposed of by such producer shall for such purposes be deemed to be such sum as may be so specified:

Special provisions relating to income tax.

Provided that no order under this subsection shall apply to any bauxite won in Jamaica and utilized in the manufacture in Jamaica of alumina.

37/1967
S. 7(a).

(2) Notwithstanding anything to the contrary the Minister may—

37/1967
S. 7(b).

- (a) where any recognized alumina producer is a company which disposes of alumina manufactured

[The inclusion of this page is authorized by L.N. 87/1986]

**BAUXITE AND ALUMINA INDUSTRIES
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in Jamaica by that producer to an affiliated company, by order direct that for the purposes of any law relating to income tax the amount received by that producer during such period or periods as may be specified in the order, from the disposal of alumina as aforesaid, shall be a sum to be directed by the Minister, being a fair and reasonable assessment of the value of alumina and based on the market conditions prevailing at the time of the disposal thereof;

- (b) by order declare any recognized alumina producer specified therein to be a designated producer during such period as may be prescribed in the order; and thereupon, and during the period so prescribed, the Income Tax Act, shall, in its application to that designated producer, have effect subject to the modifications and variations set out in the order:

Provided that any order made under this paragraph and any subsequent order varying or revoking such an order shall be subject to affirmative resolution of the House of Representatives.

37/1967
S. 7(b).

(3) The Minister shall, in making any order or direction under subsection (2), have regard to any agreement or arrangement referred to in section 3 which is made with the recognized alumina producer to whom such order relates and is in force at the date on which such order is made.

(4) No direction under subsection (1) or paragraph (a) of subsection (2) shall be revoked or varied during the period specified in such direction except with the prior approval of the producer to whom such direction relates.

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**BAUXITE AND ALUMINA INDUSTRIES
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(5) Where any recognized alumina producer disposes of alumina manufactured in Jamaica by that producer to any person other than an affiliated company for a sum which appears to the Commissioner of Taxpayer Audit and Assessment to be less than the fair and reasonable value of the alumina based on the market conditions prevailing at the time of the disposal thereof, the Commissioner of Taxpayer Audit and Assessment may, in assessing the amount of income tax payable by that producer in respect of the period during which the profits received from the disposal of the alumina are required to be brought into charge to tax for income tax purposes, substitute for the aforesaid sum the fair and reasonable value of the alumina based on the market conditions prevailing at the time of the disposal thereof.

L.N.
165/1999.

L.N.
165/1999.

(6) Subsection (5) shall not apply in respect of any transaction which the Commissioner of Taxpayer Audit and Assessment is satisfied was carried out in good faith between independent persons dealing at arm's length.

L.N.
165/1999.

(7) In this section—

the expression “an affiliated company” means a company which controls, or is controlled by, or is under common control with, the recognized alumina producer to whom the context refers;

“Minister” means the Minister responsible for finance.

10. The Minister may make regulations generally for the better carrying into effect of this Act and without prejudice to the generality of the foregoing may by regulations provide—

Regulations.

(a) for the marking of any articles purchased free of excise duty or imported free of customs duty

37/1967
S. 8.

[The inclusion of this page is authorized by L.N. 3/2001]

**BAUXITE AND ALUMINA INDUSTRIES
(ENCOURAGEMENT)**

or any similar impost under the provisions of this Act with a distinctive mark; and

- (b) for the keeping of records in such form, containing such particulars and relating to such matters as may be prescribed; and
- (c) for the making of returns in such form at such times to such persons and containing such particulars in relation to such matters as may be prescribed; and
- (d) for the inspection of any records required to be kept under regulations made under this Act and of any lands, buildings, plant, apparatus, materials, stores, bauxite or alumina occupied by or under the control of any recognized bauxite producer or any recognized alumina producer; and
- (e) that any person who contravenes any regulations made under this section shall on summary conviction before a Resident Magistrate be liable to a fine not exceeding such sum not being greater than one thousand dollars, or to such term of imprisonment with hard labour for such period not exceeding twelve months, or to both such fine and imprisonment as may be prescribed.

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**BAUXITE AND ALUMINA INDUSTRIES
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SCHEDULE

PART I

All plant, machinery, building materials not intended for the construction of dwelling-houses, tools, mechanical diggers, overhead conveyors, rails, rail cars, pipes, pumps, wharf materials, drilling and blasting equipment, explosives and accessories, trucks and cars not intended to be and in no circumstances used upon a public road and not required to be licensed under the Road Traffic Act, trucks as defined in section 11 of the Road Traffic Act with the exception of passenger vehicles such as are commonly known as buses and mini-buses and motor vehicles constructed to carry a load or passengers or both and commonly known as station-waggon, and any other items of, or for the construction of, plant and equipment necessary for the winning, treating, transportation in Jamaica and shipping of bauxite.

(Sections
4 & 8)

15/1980
S. 6.

PART II

All plant, machinery, building materials not intended for the construction of dwelling-houses, tools, mechanical diggers, overhead conveyors, rails, rail cars, pipes, pumps, wharf materials, drilling and blasting equipment, explosives and accessories, trucks and cars not intended to be and in no circumstances used upon a public road and not required to be licensed under the Road Traffic Act, trucks as defined in section 11 of the Road Traffic Act with the exception of passenger vehicles such as are commonly known as buses and mini-buses and motor vehicles constructed to carry a load or passengers or both and commonly known as station-waggon, and any other items of, or for the construction of, plant and equipment necessary for the manufacture, transportation in Jamaica and shipping of alumina.

(Section
5)

15/1980
S. 6.

[The inclusion of this page is authorized by L.N. 57/1981]

APPENDIX 10 - PowerPoint Presentation - Petroleum Monitoring Status Debrief to Jamaica Customs

STATUS REPORT ON THE REVIEW OF THE MANAGEMENT OF BULK PETROLEUM PRODUCTS BY JAMAICA CUSTOMS DEPARTMENT

02-Feb-2012

An Overview

- Introduction
- Update on Key Deliverables
- Interim Findings
- Interim Recommendations
- Q & A

INTRODUCTION

- Assignment commenced on 23/01/2012
- Approach:-
 1. Overview Meetings with PRIDE Jamaica & JCD
 2. i) Site Visits:-
 - Port Esquivel/Rocky Point
 - St Ann's Bay
 - Montego Bay-Jamaica Petroleum Terminal, Gas Pro
 - Cool Petroleum
 - Aegean Bunkering
 - Petrojam

INTRODUCTION *cont*

- ii) Review of existing Procedures and assessment of available technical skill
- iii) Review of clearance documentations
3. Benchmark Study of Petroleum Management system in TRA & KRA
4. Meetings with TAJ & RPD & JCD Compliance Unit to establish linkages

UPDATE of KEY DELIVERABLES

1. Review of the current state of Petroleum Monitoring in the JCD
 - a. Review cargo receipt procedures
 - b. Inventory controls and accounting at the oil facilities
 - c. Adherence to generally accepted best accounting and management principles and adequacy of the controls
 - d. Interview & review documents at Sufferance Wharves Office, Kingston
 - e. Skills & Competencies Assessment within JCD to effectively manage proposed PMU
 - f. Meetings with JCD, TAJ & OIC

UPDATE of KEY DELIVERABLES *cont*

2. Framework for a proposed PMU
 - a. Benchmark against International Best Practices; TRA & KRA cases
 - b. Establish necessary audit and verification technique-Audit Plans
 - c. Develop standard operating procedures for receipt & monitoring of both crude oil and finished/refined imports
 - d. Identify Custody Transfer Points for oil product measurement & techniques for discharge
 - e. Establish Reporting & Monitoring processes with suitable reports
 - f. Skill gaps and training needs
3. Recommendation for immediate, Medium & long-term improvements
 - Recommendation Implementation Action Plan

UPDATE of KEY DELIVERABLES *cont*

4. Linkage with TAJ, Revenue Protection Division and JCD compliance Division
 - a. Meetings with TAJ, RPD & Compliance
 - b. Assess level of sharing of information between JCD & other agencies
5. Documented profiles of Oil Importing Companies
 - Exercise in progress
6. Other Findings and Recommendations
 - In progress

INTERIM FINDINGS

- i. Lack of dedicated resources for managing of Petroleum Sector
- ii. Inconsistent operation procedures
- iii. Lack of specific measuring and accounting skills and techniques
- iv. Un-explained practices e.g. 0.75 Percent 'evaporation' loss on Gasoline, access to product prior to payment of duty
- v. Lack monitoring & control of discharged product
- vi. Total lack of supervision of all back-loading(bunkers & duty free products)

Interim Findings *cont.*

vi. Bunkering:-

- Barges only licensed Jamaica Port Authorities without involvement of JCD
- Aegean Bunkering lacks auditable documents
- Absence of control and monitoring
- Lack Customs supervision of all bunkering processes
- Lack of inventory records and reconciliation reports
- Lack of accountability by bunkering operator

vii. Inadequate information exchange between JCD & TAJ at Petrojam Refinery

viii. Incidents of poor quality declarations being approved e.g. Country of Origin and inconsistent volume and weight data

Interim Recommendations

1. Develop, circulate and enforce Standard Operating Procedures at discharge points
2. Deploy permanent JCD staff to PetroJam to monitor receipts and all back-loading activities
3. Dedicate adequate resource for managing Petroleum sector
4. Capacity building in training
5. In-depth audit of all Gasoline declaration against outturns at Petrojam as far back the Commissioner-JCD may deem necessary
6. Regularize un-explained practices either through law or in anchor in administrative instruction

Interim Recommendations *cont*

7. Improved communication between JCD & TAJ
8. In-depth audit of bunkering transactions as far back as the Commissioner – JCD may deem adequate
9. Implement revenue monitoring worksheet at all discharge points
10. Random confirmation of Country/Certificate Of Origin
11. Establish JCD-Oil Industry Forum to meet on monthly basis

THANK YOU